WARISAN TC HOLDINGS BERHAD
(424834-W)

62-68, Jalan Sultan Azlan Shah
51200 Kuala Lumpur
Malaysia

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WARISAN TC HOLDINGS BERHAD (424834-W)

ANNUAL REPORT 2018

WARISAN TC HOLDINGS BERHAD
(424834-W)

Annual Report 2018

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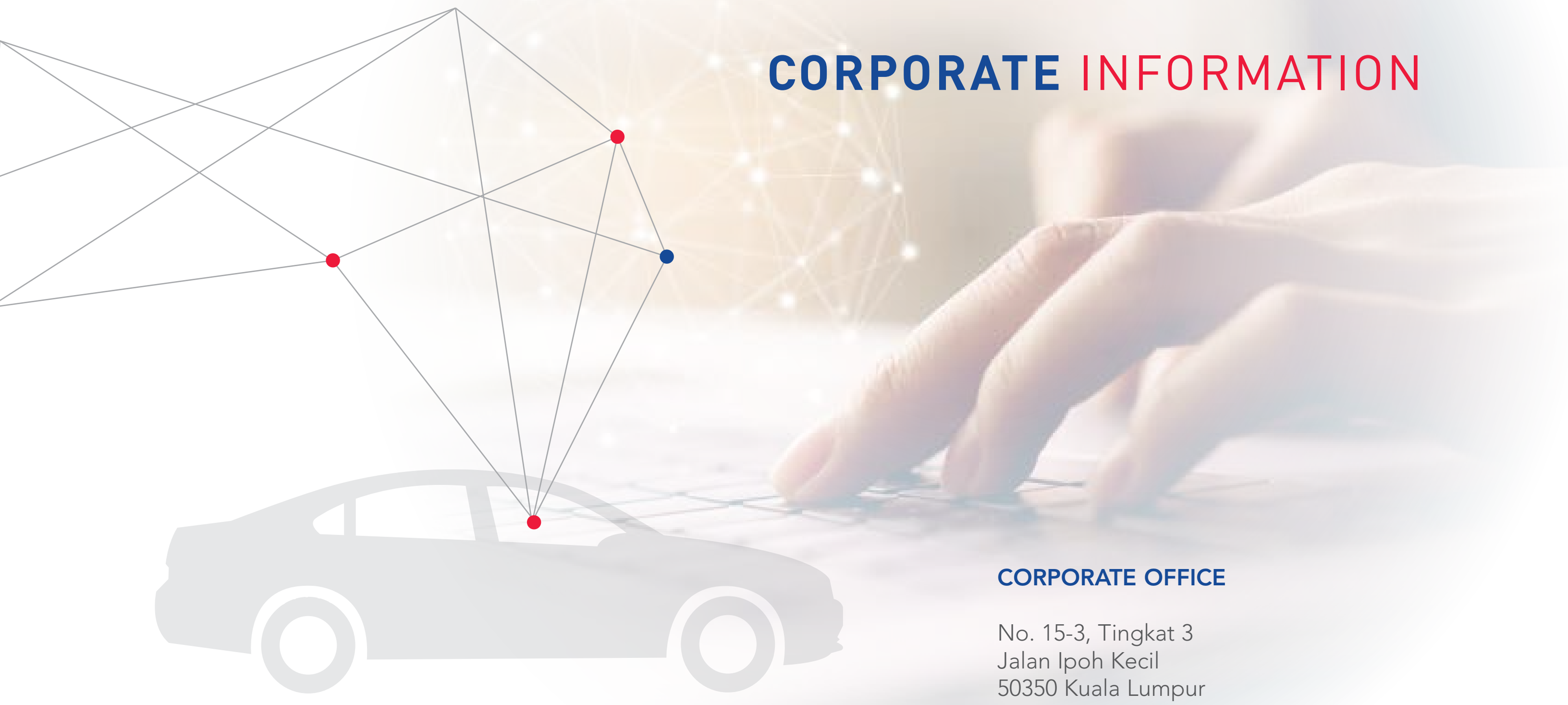
COVER RATIONALE

"MAKE THE FUTURE" represents the Group's commitment towards delivering consistent sustainable future growth to its shareholders and other stakeholders. Whilst the Group's existing core businesses have delivered results over the years, our relentless pursuit for new business opportunities to enhance our potential for the future has been intensified. Technology adoption and overseas expansion serve as cornerstones of our commitment towards the future. We are working towards making the future.

CORPORATE INFORMATION



DIRECTORS

Dato' Tan Heng Chew
President

Tan Keng Meng
Chief Executive Officer

Chin Ten Hoy
Executive Vice-President

Datuk Abdullah bin Abdul Wahab
Senior Independent Non-Executive Director

Dato' Chong Kwong Chin
Independent Non-Executive Director

Lee Min On
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Chong Kwong Chin
Chairman

Datuk Abdullah bin Abdul Wahab

Lee Min On

NOMINATING AND REMUNERATION COMMITTEE

Datuk Abdullah bin Abdul Wahab
Chairman

Dato' Chong Kwong Chin

Lee Min On

COMPANY SECRETARY

Ang Lay Bee

REGISTERED OFFICE

62-68, Jalan Sultan Azlan Shah
51200 Kuala Lumpur
Malaysia
Tel : +603 4047 8888
Fax : +603 4047 8636

CORPORATE OFFICE

No. 15-3, Tingkat 3
Jalan Ipoh Kecil
50350 Kuala Lumpur
Malaysia
Tel : +603 4047 9733
Fax : +603 4047 9722
Email : corporate@warisantc.com
Website : www.warisantc.com.my

SHARE REGISTRARS

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel : +603 2783 9299
Fax : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

Mazars PLT
Wisma Golden Eagle Realty
11th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed on 15 December 1999)

BUSINESS DIVISIONS

AUTOMOTIVE

- Light commercial truck
- Heavy commercial truck
- Pick-up truck

TRAVEL & CAR RENTAL

- Inbound and outbound tour
- Corporate travel
- Airline ticketing
- One-stop online travelling solution
- Car and coach rental
- Chauffeur service
- On demand car sharing platform via GoCar mobile application

MACHINERY

- Material handling equipment, forklift, factory scrubber and sweeper
- Construction equipment (road, earthwork, quarry and mining)
- Off-road dump truck
- Agricultural tractor, golf and turf equipment
- Engine and generator
- Air compressor

OTHERS

- Used vehicle auction
- Property Investment
- Assembly of passenger vehicle
- Cosmetics
- Lingerie

CORPORATE STRUCTURE

WARISAN TC HOLDINGS BERHAD
(424834-W)

TRAVEL & CAR RENTAL

- 100% Mayflower Car Rental Sdn Bhd
- 100% Mayflower Holidays Sdn Bhd
- 100% Mayflower-My 2nd Home (MM2H) Sdn Bhd
- 100% Mayflower Corporate Travel Services Sdn Bhd
- 100% Discovery Tours (Sabah) Sdn Bhd *(Formerly known as Mayflower Holidays (Borneo) Sdn Bhd)*
- 100% MAT Tours And Travel (Cambodia) Pte Ltd
- 100% MAT Transportation Solution (Myanmar) Co. Ltd
- 95% Gocar Mobility Sdn Bhd
- 80% Mayflower Online Sdn Bhd

OTHERS

- 100% Warisan Captive Incorporated
- 100% Tung Pao Sdn Bhd
- 100% Tan Chong Apparels Manufacturer Sdn Bhd
- 100% MUV Marketplace Sdn Bhd
- 100% MUV Solutions Sdn Bhd
- 100% Warisan TC Management Services Sdn Bhd
- 100% Warisan TC Automotive Manufacturers (M) Sdn Bhd
- 75.5% Comit Communication Technologies (M) Sdn Bhd
- 50% Shiseido Malaysia Sdn Bhd
- 50% Wacoal Malaysia Sdn Bhd

MACHINERY

- 100% TCIM Sdn Bhd
- 100% Jentrakel Sdn Bhd

AUTOMOTIVE

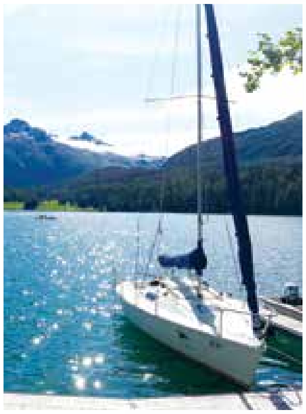
- 100% Angka-Tan Motor Sdn Bhd
- 70% Kereta Komersil Seladang (M) Sdn Bhd

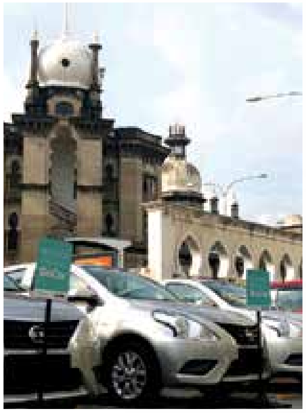
Note: Inactive and dormant companies are excluded from the corporate structure.

PRESIDENT'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the Annual Report of Warisan TC Holdings Berhad for the financial year ended 31 December 2018. I am proud to announce that the Group has performed commendably and continued its upward trend in performance to deliver another satisfactory set of results for the year under review.





Overall, year 2018 has been challenging to the Malaysian market as a result of the pressure from the external environment caused by the local and global front. The historic outcome of the General Election in Malaysia which subsequently resulted in changes to the country's policy direction, trade tension between the United States of America ("USA") and China and USA monetary policy which resulted in currency fluctuations were among the major challenges that have direct impact on the business environment the Group operates in.

Against such a backdrop, the Group remains resilient and managed to perform satisfactorily with improved performance from its core business units. The Group continues to adopt similar strategy of venturing into new business opportunities and overseas market with the aim of enhancing future earnings and sustainable growth. With this in mind, MAT Transportation Solution (Myanmar) Company Limited ("MAT Myanmar") was incorporated in April 2018 to expand our business in rental and leasing of cars and coaches, as well as related transportation business in the Myanmar market.

Further resources were injected into our technology-related businesses such as MUV Marketplace Sdn Bhd ("MUV Marketplace") which provides e-bidding vehicle service auction, Gocar Mobility Sdn Bhd ("GoCar"), a Malaysian homegrown on-demand car sharing mobile application and Mayflower Online Sdn Bhd ("Mayflower Online") which provides multiple travel products and services via our one-stop electronic and web platform.

In less than 3 years, GoCar has managed to increase its presence to more than 250 locations in Peninsular Malaysia, having close to 30,000 users. Its successful collaboration with Shell Malaysia which started since April 2017 has provided its users the convenience to pick up their cars from 100 selected Shell stations.

Despite the growth and prospects from such new business ventures, their gestation costs will have adverse impact on our short-term financial performance. However, the Group strongly believes that these are pivotal to the long term sustainability and growth of the Group.

PRESIDENT'S STATEMENT
cont'd

FINANCIAL PERFORMANCE

The Group's revenue increased by 1.3% to RM497.0 million from RM490.6 million in the preceding year. In line with this increase, profit before tax climbed by 14.3% to RM9.6 million from RM8.4 million in the prior year. The Group's core business units, namely Travel and Car Rental Division and Machinery Division continue to play an important role in achieving the results. Automotive Division has managed to put in a commendable improvement in their performance albeit in registering lower losses during the year. The improvements from the above-mentioned business units, coupled with continuous cost control initiatives implemented throughout the year, have contributed to such favourable results.

The Group recorded profit after tax of RM7.0 million as compared to RM4.4 million, registering a phenomenal growth of 59.1%.

DIVIDENDS

The Board recommends a final single tier dividend of 3.0 sen per share for the financial year ended 31 December 2018 subject to shareholder's approval at the forthcoming Annual General Meeting. Combined with the interim single tier dividend of 1.0 sen per share, which was paid in September 2018, the total dividend per share for the year is 4.0 sen.

OUTLOOK

Malaysia has forecasted a modest GDP growth of 4.9% in the light of global headwinds and consistent with International Monetary Fund's cut in global economic growth forecast. Three main areas of concern in 2019 will be the slowing down of economic activities amid external uncertainties, rising cost of living and high cost of doing business, which are expected to challenge Malaysia's business environment.

In the light of challenges above, the Group will remain cautious and continue to chart out various strategies to counter any negative impact that may arise in the coming year in our stride towards achieving another satisfactory set of results in 2019.

APPRECIATION

On behalf of the Board, I wish to extend my sincere appreciation to the loyal shareholders, valued customers, suppliers and financiers for their unwavering support to the Group. Last but not least, my heartfelt thanks go to all employees and my fellow Board members for their dedication and contributions throughout the year.

Dato' Tan Heng Chew JP, DJMK
President
4 April 2019

MANAGEMENT DISCUSSION AND ANALYSIS

2018 HIGHLIGHTS

BUSINESS

August 2018

Angka-Tan Motor Sdn Bhd launched the all-new Foton Auman EST (Energy Super Truck) heavy-duty commercial prime mover. This truck is fully equipped with advanced mobility technologies and manufactured by Beijing-based Foton Daimler Automotive Co. Ltd, a joint venture between Foton Group and Daimler Automotive.

October 2018

Gocar Mobility Sdn Bhd ("GoCar") in collaboration with Shell Malaysia, with its vehicles now available at 100 Shell stations in Malaysia. During the year, GoCar vehicles have been booked for 828,902 hours with total travelled distance of 9.2 million kilometres.

FINANCIAL SNAPSHOT

RM497.0 mil
Revenue

RM9.6 mil
Profit Before Tax

RM804.0 mil
Total Assets

RM5.16
Net Assets Per Share

AWARDS & RECOGNITIONS

November 2018

It was a significant milestone for TCIM Sdn Bhd in the field of Human Resources where it received the prestigious Certificate of Excellence Award in Human Resources Development from the Ministry of Human Resources.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

During the year, Mayflower Travel continued to garner many industry accolades in recognition for its service and contribution to the industry, which include the following:-

- Singapore Airlines – 2017/18 Top Agency Sales
- Qatar Airways – Top Sales Performance 2018
- Emirates – Outstanding Sales Performance 2017/2018
- Korean Air – Gold Achiever 2017/2018
- Air Asia – Outstanding Performance & Support Award 2017/2018
- Malaysia Airlines & Fire Fly – Top Sales Performance 2017
- Eva Air – Top Achievement Award 2017
- Mastercard – Data Excellence in Central Travel Solution
- China Southern Airlines – Top 10 Travel Agent 2018
- Lucky Air – Outstanding Contribution 2018
- Xiamen Air – Best BSP Agent 2018
- Air China & Shenzhen Airlines – Passenger Sales Excellence Award 2018
- Cathay Pacific & Cathay Dragon – Top Agent Award 2017

MARKET PRESENCE

Mayflower's latest regional expansion to Myanmar is in line with the Group's growth strategy into overseas market especially in ASEAN region. It is expected to contribute steady stream of overseas revenue to the Group in addition to its existing presence in Cambodia and Thailand.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Warisan TC Holdings Berhad was incorporated in Malaysia on 26 March 1997 with the main activities grouped under 4 main divisions as follows:-

Travel & Car Rental
- Inbound and outbound tour
- Corporate travel
- Airline ticketing
- One-stop online-travelling solution
- Car and coach rental
- Chauffeur service
- On demand car sharing platform via GoCar mobile application

Automotive
- Light commercial truck
- Heavy commercial truck
- Pick-up truck

Machinery
- Material handling equipment, forklift, factory scrubber and sweeper
- Construction equipment (road, earthwork, quarry and mining)
- Off-road dump truck
- Agricultural tractor, golf and turf equipment
- Engine and generator
- Air compressor

Others
- Used vehicle auction
- Property investment
- Assembly of passenger vehicle
- Cosmetics
- Lingerie

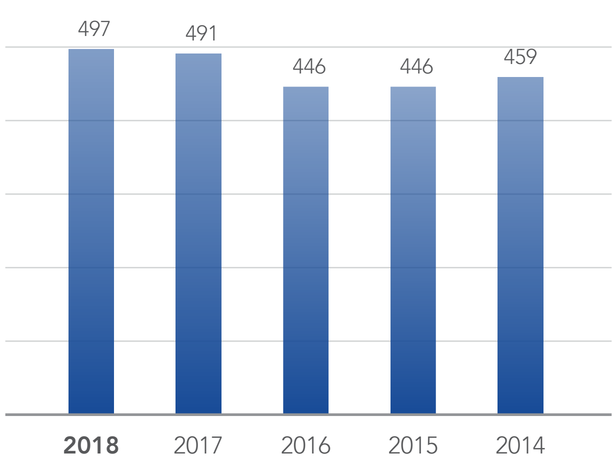
The Group's objectives are to deliver consistent growth to our shareholders and stakeholders by adopting a relentless pursuit for excellence via introduction of new innovative business ideas and providing unmatched products and service quality to our valued customers at all time.

The Group's abilities to identify, source for and market quality products at competitive pricing, coupled with improving customer satisfaction through our well-trained staff and customer service are among the keys to achieving Group's objectives.

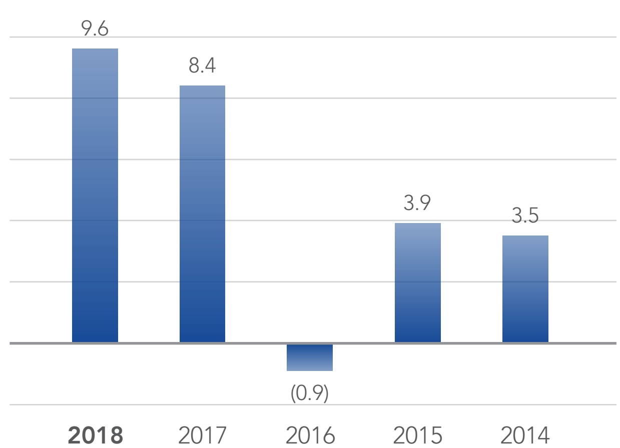
GROUP FINANCIALS

Over the course of 2018, the Group recorded an improvement in its overall results, particularly from its Machinery and Automotive Divisions, which continued to gain traction. Customers' cautious spending habits continued to affect the growth of the Travel and Car Rental Division where the impact of rising cost of living has adversely affected its customers travelling pattern. The used vehicle auction subdivision had extended its vehicles sourcing to financial institutions and individuals whilst GoCar subdivision's fleet has grown to more than 500 vehicles over 250 locations nationwide.

REVENUE (RM million)



PROFIT BEFORE TAX (RM million)



MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

For financial year ended 31 December 2018, the Group recorded a revenue of RM497.0 million (2017: RM490.6 million) mainly contributed by the increase in revenue from the Machinery and Automotive Divisions which were, however, offset by the lower revenue from Travel and Car Rental Division. The Group recorded profit before tax of RM9.6 million (2017: RM8.4 million) and net profit of RM7.0 million (2017: RM4.4 million) despite carrying the gestation cost of some of its new business start-ups such as GoCar, used vehicles auction and Mayflower Online which are still in the early stages of development.

The Group's inventories increased to RM168.9 million (2017: RM125 million) as a result of the Machinery and Automotive Divisions' stock replenishment which had a longer delivery lead time during the year end. This had resulted in lower cash and cash equivalents of RM53.8 million (2017: RM65.7 million) being registered during the year.

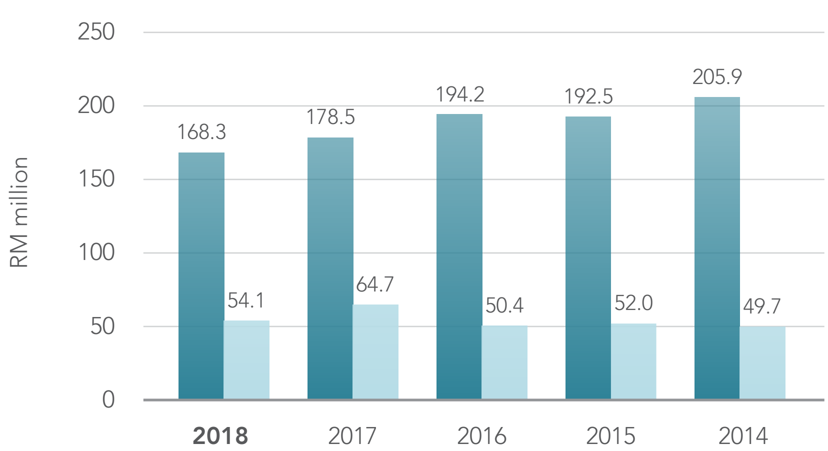
The Group's capital resources comprise primarily cash flows generated from operating activities, cash and cash equivalents and available credit lines. The gearing ratio in 2018 improved to 0.59 times as compared with 0.61 times from previous financial year as a result of the Group's prudent approach in managing its capital resources. This proven approach will continue to be deployed in the future to meet our future operating requirements and capital expenditures.

SEGMENT RESULTS AND ANALYSIS

Travel & Car Rental

For the financial year ended 31 December 2018, this division recorded lower revenue of RM168.3 million as compared to RM178.5 million in 2017. The latest figures from Tourism Malaysia's data portal showed a downtrend of tourist arrivals in Malaysia with 26.76 million tourists in 2016, 25.95 million in 2017 and 25.83 million in 2018. This, together with the impact of rising cost of living and cautious customer spending, contributed to the lower revenue in this division. This has also resulted in lower profit recorded in 2018 at RM54.1 million as compared to RM64.7 million in 2017.

TRAVEL AND CAR RENTAL DIVISION



This division operates 2 major strategic business units under the Mayflower brand, namely the Travel subdivision ("Mayflower Travel") and Car Rental subdivision ("Mayflower Car Rental").

Mayflower Travel provides a range of travel and tours services, which includes inbound, outbound, corporate incentive tours, medical tourism, education tourism and air ticketing services with offices in Malaysia, Cambodia and Thailand. In line with the market demand, Mayflower Travel has also embarked on the technology trend by providing its customers the option to perform online transactions from its Mayflower Online platform.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Mayflower Car Rental provides car leasing and rental, coach and chauffeur services in Malaysia. In accordance with its policy of maintaining young fleets to provide better quality services and lower maintenance cost, an additional 653 units (2017: 736 units) of new vehicles were purchased and 921 units (2017: 516 units) were disposed of via its vehicles replacement policy during the year.

Mayflower Car Rental Sdn Bhd acquired Gocar Mobility Sdn Bhd ("GoCar") in year 2016. GoCar is the pioneer in revolutionising the traditional car rental industry in Malaysia, where users can now rent cars by the hours as compared to traditional daily rates via GoCar smartphone app. It has now grown to over 250 locations in Malaysia with more than 500 cars and close to 30,000 registered users as at end of 2018.

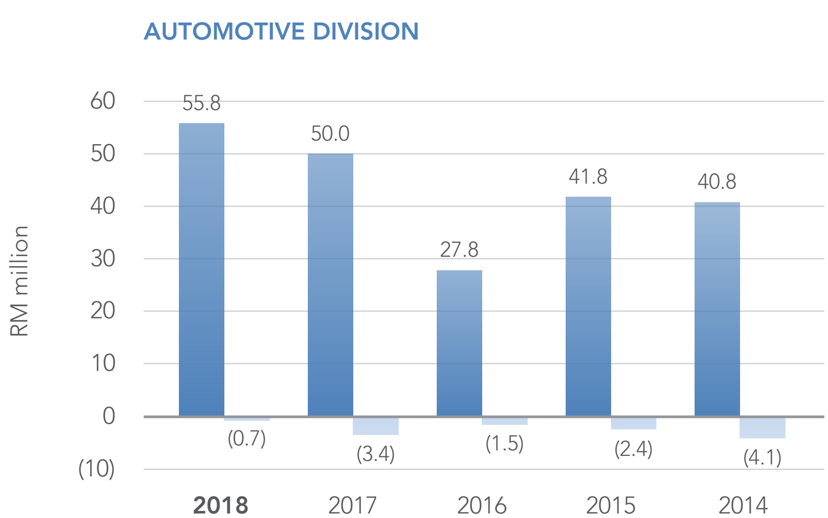
In April 2018, Mayflower Car Rental took a major step by venturing into overseas market. MAT Transportation Solution (Myanmar) Company Limited, a wholly owned subsidiary of Warisan was incorporated in April 2018 to undertake the business of rental and leasing of cars and coaches in Myanmar.

Automotive

This division is mainly involved in the distribution of Foton Chinese vehicles under the brand name of Auman (for heavy commercial vehicles), Aumark (for light commercial vehicles) and Bison Savanna (for pickup trucks).

The segment revenue of Automotive Division continued to grow to RM55.8 million as compared to RM50.0 million in previous year. The higher revenue had also resulted in lower losses being recorded at RM0.7 million as compared to RM3.4 million in 2017.

During the year, the Automotive Division launched and unveiled the all-new heavy-duty commercial prime mover, Foton Auman EST (Energy Super Truck) series. Manufactured by Beijing-based Foton Daimler Automotive Co. Ltd, this all-new Auman EST Truck is fully equipped with advanced mobility technologies and best-in-class technologies from the United States, Germany and China. This new truck was well received by its customers, judging by the bookings received prior to the launching date. In the same period in 2018, its light commercial vehicles under Aumark range had been upgraded with latest Cummins engines and ZF transmission.



Revenue

Segment Profit/(Loss)

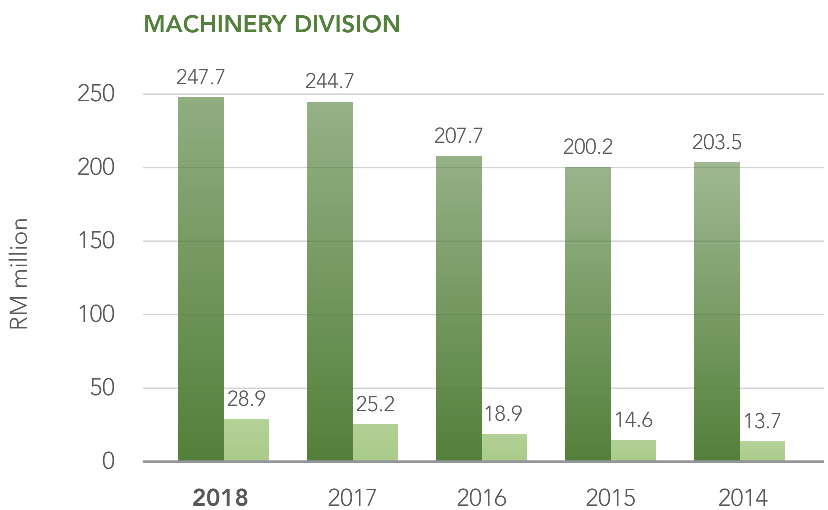
MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

The automotive industry in Malaysia was also boosted by the 3 months of GST-free tax holiday which has resulted in the total industry volume increasing by 3.8% to 598,714 in 2018 as compared to 576,635 in the previous year.

The automotive industry in Malaysia continues to face challenges, in particular the slower economic growth, weakened Ringgit, moderation in consumer spending and stringent lending requirements. Against such backdrop, this division recorded an overall improvement during the year as a result of employees' perseverance in weathering such challenges by improving customer services experience which has resulted in new and repeated orders being secured from new and existing customers.

Machinery

This division distributes a wide range of equipment and machinery such as Sumitomo excavators, SDLG wheel loaders, Sakai compactors, Gehl backhoe loaders, John Deere tractors, golf and turf equipment, Tonly off-road trucks, Unicarriers forklifts, Dulevo sweepers, etc. Headquartered in Shah Alam, it has branches in major cities and towns throughout Malaysia, namely Butterworth, Ipoh, Seremban, Melaka, Kluang, Johor Bahru, Kuantan, Kota Bharu, Kuching, Miri, Bintulu, Lahad Datu, Sibu, Kota Kinabalu and Sandakan.

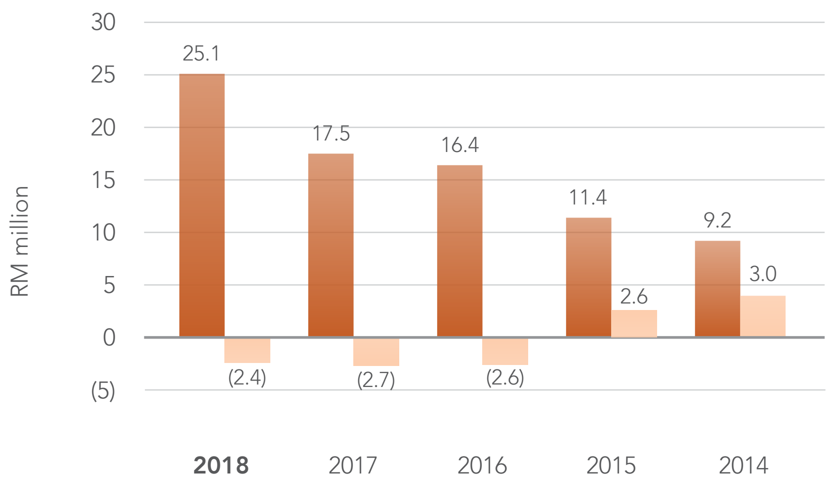


The segment revenue of Machinery division increased by 1.2% to RM247.7 million as compared to RM244.7 million in 2017 despite the challenges faced in the cancellation and deferment of some major projects and stringent lending requirements imposed by the financial institutions in the equipment and machinery industry. The segment profit increased by 14.7% to RM28.9 million from RM25.2 million in 2017 as a result of continuous cost control measures implemented, currency hedging against fluctuations and regular feedback and support from its principal. Similar to the automotive industry, the 3 months of GST-free tax holidays has benefitted this division during the year as a result of customers who brought forward their purchases plan to enjoy huge savings during this period.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Others

Other business includes online auction services, captive insurance services, consumer products, assembly of motor vehicles and property investments.



Segment revenue increased to RM25.1 million from RM17.5 million in the previous year. The increase in revenue was mainly contributed by the vehicle assembly sub-division which commenced its operation in September 2017 as the assembler of Mitsubishi Outlander, a 4WD SUV vehicle, for Mitsubishi Motors Malaysia Sdn Bhd. The number of vehicles assembled in 2018 increased by more than 2,000 units as compared to previous year which contributed to the revenue increase in this division.

This has resulted in lower losses being recorded at RM2.4 million as compared to RM2.7 million in 2017.

The Group's share of profits from its joint venture companies namely, Wacoal Malaysia Sdn Bhd ("Wacoal Malaysia") and Shiseido Malaysia Sdn Bhd ("Shiseido Malaysia") increased to RM3.7 million in 2018 as compared to RM2.8 million in the preceding year. The increase was mainly contributed by Shiseido Malaysia which had continued to register impressive results from its wide range of cosmetic products which included high prestige consultation brand such as NARS, *Clé de Peau Beauté* and Laura Mercier among others. Both Wacoal Malaysia and Shiseido Malaysia managed to weather the challenging consumer market as a result of their product quality, strong branding and customer loyalty.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Outlook and Prospects

The domestic economy is expected to expand at a more moderate pace. The global economy across advanced economies and emerging market economies in 2019 is likely to face challenges with higher downside risk from the uncertainties caused by trade tension between USA and China, tightening financial conditions and heightened volatility in financial markets, coupled with political and policy uncertainty and elevated debt levels.

Against such backdrop, the Group will remain cautious in addressing these challenges head on, through the implementation of proactive measures and improving operational efficiency. The Group is determined to sustain its growth trend via broadening its geographical reach and increasing its product portfolio.

Dividend Policy

The Group does not intend to establish a fixed dividend policy at this point in time due to the Group's nature of relying on identifying and nurturing new business prospects to supplement our existing business. Hence, the quantum of our dividend pay-out will be determined by the cash flow requirements and business expansion plan on yearly basis.

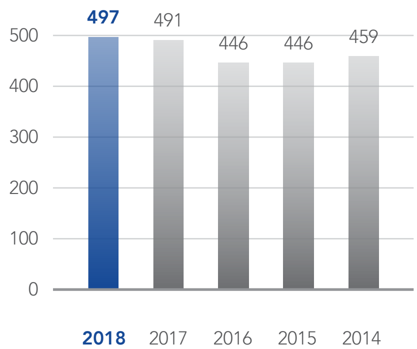
An interim single tier dividend of 1.0 sen for the financial year ended 31 December 2018 was paid on 28 September 2018.

The Board of Directors has recommended a final single tier dividend of 3.0 sen per share for the financial year ended 31 December 2018, subject to shareholders' approval at the forthcoming Annual General Meeting.

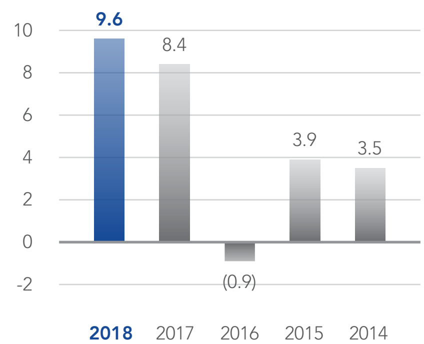
If approved, this would amount to a cumulative total dividend of 4.0 sen per share representing a pay-out ratio of 34.8% from the total profit attributable to the owners of the Company for the financial year ended 31 December 2018.

FINANCIAL CHARTS

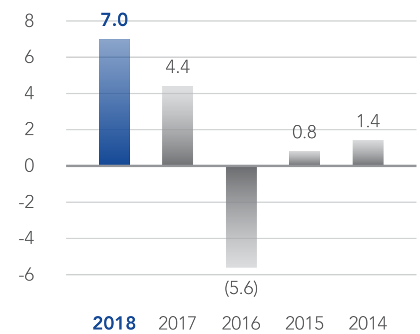
REVENUE
(RM Million)



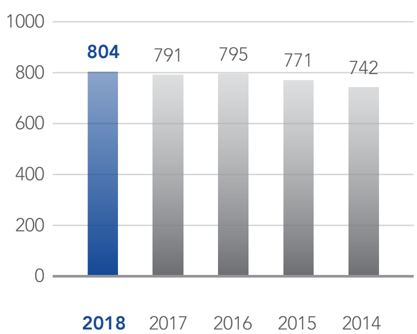
PROFIT BEFORE TAX
(RM Million)



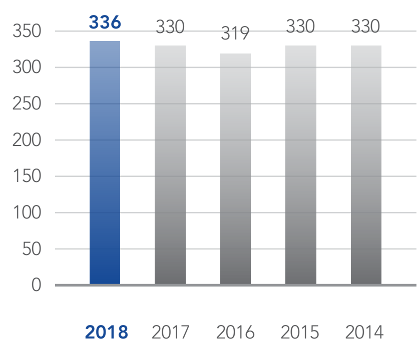
PROFIT AFTER TAX
(RM Million)



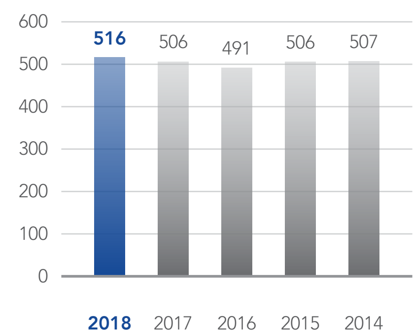
TOTAL ASSETS
(RM Million)



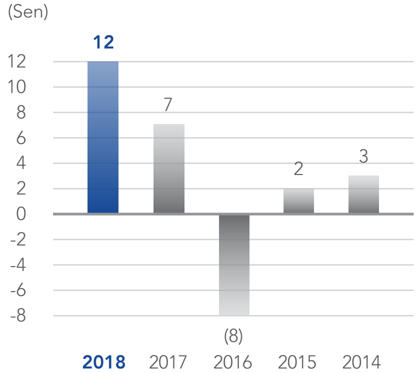
SHAREHOLDERS' FUND
(RM Million)



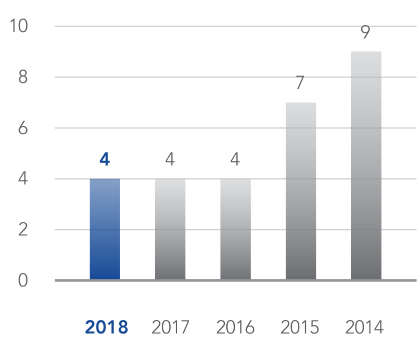
NET ASSETS PER SHARE
(Sen)



EARNINGS PER SHARE
(Sen)



NET DIVIDEND PER SHARE
(Sen)



Note: 2017 numbers have been restated to incorporate the adoptions of new standards that has been issued by the Malaysian Accounting Standards Board.

5-YEAR FINANCIAL HIGHLIGHTS

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000
RESULTS					
Revenue	**496,950**	490,622	446,116	445,943	459,304
Profit before tax	**9,584**	8,382	(863)	3,938	3,485
Taxation	**(2,554)**	(4,001)	(4,778)	(3,143)	(2,078)
Profit after tax	**7,030**	4,381	(5,641)	795	1,407
Attributable to:					
Shareholders of the Company	**7,488**	4,742	(5,037)	1,185	1,784
Non-controlling interests	**(458)**	(361)	(604)	(390)	(377)
FINANCIAL POSITION					
Assets					
Property, plant and equipment	**277,422**	304,188	308,417	274,482	263,636
Investment property	**45,400**	45,400	45,800	45,800	44,500
Investment in an associate	**1,069**	979	148	-	-
Investments accounted for using the equity method	**37,348**	35,993	34,007	33,473	32,177
Other investments	**6**	10	10	10	10
Finance lease receivables	**4,343**	1,728	3,793	2,364	5,607
Deferred tax assets	**2,575**	2,664	2,522	1,749	1,328
Intangible assets	**12,520**	12,374	11,584	9,131	9,131
Other receivables	**-**	698	561	-	-
Total non-current assets	**380,683**	404,034	406,842	367,009	356,389
Currents assets	**423,349**	387,377	388,419	403,783	385,287
Total Assets	**804,032**	791,411	795,261	770,792	741,676
Equity					
Share capital	**67,815**	67,815	67,200	67,200	67,200
Share premium	**-**	-	615	615	615
Reserves	**272,027**	266,024	255,805	266,111	266,327
Treasury share	**(4,213)**	(4,213)	(4,210)	(4,209)	(4,206)
Total equity attributable to owners of the Company	**335,629**	329,626	319,410	329,717	329,936
Non-controlling interests	**11,269**	(1,380)	(1,021)	(585)	(195)
Total Equity	**346,898**	328,246	318,389	329,132	329,741
Non-current liabilities	**33,928**	71,620	91,467	81,106	80,413
Current liabilities	**423,206**	391,545	385,405	360,554	331,522
Total Equity and Liabilities	**804,032**	791,411	795,261	770,792	741,676
FINANCIAL STATISTICS					
Basic earnings/(loss) per share (sen)	**11.50**	7.28	(7.74)	1.82	2.74
Dividend per share (net of tax) (sen)	**4.0**	4.0	4.0	7.0	9.0
Net assets per share (sen)	**516**	506	491	506	507
Return on shareholders' equity (%)	**2.0%**	1.3%	-1.8%	0.2%	0.4%
Net debt/equity (%)	**58.7%**	60.5%	69.9%	63.4%	57.6%

PROFILE OF DIRECTORS

DATO' TAN HENG CHEW *JP, DJMK*
President

Dato' Tan Heng Chew, aged 72, a Malaysian, male, was the first director of the Company when it was incorporated on 26 March 1997. He was appointed as the Chairman of the Board on 1 November 1999 and was re-designated as Executive Chairman on 1 January 2011. His corporate title has been changed to President effective 1 January 2015.

Dato' Tan graduated from the University of New South Wales, Australia with a Bachelor of Engineering (Honours) degree and a Masters degree in Engineering from the University of Newcastle, Australia. He joined the Tan Chong Motor Holdings Berhad Group of companies in 1970 and was instrumental in the establishment of its Autoparts Division in the 1970s and early 1980s.

Dato' Tan is also the President of Tan Chong Motor Holdings Berhad and APM Automotive Holdings Berhad.

He is also a major shareholder of the Company. He is the brother of Mr Tan Eng Soon and is also a director and shareholder of Tan Chong Consolidated Sdn Bhd. Mr Tan Eng Soon and Tan Chong Consolidated Sdn Bhd are major shareholders of the Company. Dato' Tan has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

TAN KENG MENG
Chief Executive Officer

Mr Tan Keng Meng, aged 60, a Malaysian, male, was appointed to the Board as Executive Director on 11 January 2012. His corporate title was changed to Executive Vice President on 1 January 2015. Mr Tan was subsequently re-designated as Chief Executive Officer on 1 October 2015.

Mr Tan graduated from the University of Malaya with a Bachelor of Engineering degree in 1982. Mr Tan joined TCIM Sdn Bhd ("TCIM"), a wholly-owned subsidiary of the Company on 15 April 2010 and was subsequently appointed as Executive Director of TCIM taking charge of industrial machinery business. He also heads the Automotive Division of the Group since October 2015.

Mr Tan also sits on the Boards of several subsidiaries of Tan Chong Motor Holdings Berhad, such as Edaran Tan Chong Motor Sdn Bhd, Tan Chong Motor Assemblies Sdn Bhd and Tan Chong Industrial Equipment Sdn Bhd. He has held senior management positions for many years with extensive Malaysian and international experience. Prior to joining the Group, he was the Group CEO/Director of Tasek Corporation Berhad, a public company listed on Bursa Malaysia Securities Berhad. He was previously Managing Director-Asia with Friction Material Pacific Group, a joint-venture company between Honeywell and Pacifica of Australia. Mr Tan has extensive experience in a number of industries covering construction, automotive and automotive component manufacturing.

He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

PROFILE OF DIRECTORS
cont'd

CHIN TEN HOY
Executive Vice-President

Mr Chin Ten Hoy, aged 62, a Malaysian, male, was appointed to the Board on 29 November 2016 as an Executive Director. His corporate title has been changed to Executive Vice-President effective 1 January 2019.

Mr Chin holds a MBA in Tourism & Hospitality Management from the Tourism Institute of Australia/Asia e-University and has more than 28 years of experience in the travel and hospitality industry; general management of properties development & acquisition and financial & audit management.

In 2001, Mr Chin joined Mayflower American Express Travel Services Sdn Bhd ("MAE") (now known as Mayflower Corporate Travel Services Sdn Bhd) as General Manager overseeing its corporate travel business in Malaysia. Prior to joining MAE, he served as a Senior General Manager for Mansfield Travel Sdn Bhd, a company under The KAB Group Berhad ("KAB") Group, where he was responsible for the financial and general management of corporate travel and car rental operations. Mr Chin began his career in 1988 with KAB as Internal Auditor and had served in KAB for 13 years holding senior positions in the areas of travel, properties development and management.

Currently, Mr Chin is the Chief Executive Officer of Mayflower Group, taking charge of the entire travel and car rental business operation (locally and overseas).

DATO' CHONG KWONG CHIN *JP, DIMP*
Independent Non-Executive Director

Dato' Chong Kwong Chin, aged 66, a Malaysian, male, was appointed to the Board on 3 March 2008. He is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of Nominating and Remuneration Committee.

Dato' Chong is a Member of the Malaysian Institute of Accountants, Fellow Member of the Association of Chartered Certified Accountants, Associate Member of the Institute of Chartered Secretaries and Administrators (UK), a Member of the Institute of Certified Public Accountants Singapore, a Member of the Institute of Management (UK) and a Fellow of CPA Australia. Dato' Chong has been in public practice since 1979 when he started his own accounting firm, Eddy KC Chong & Co. The firm merged with Tet O. Chong & Co in 1990 and is now practising under the name of Ismail Chong & Associate. He had retired as senior partner of Moore Stephens and Executive Chairman of Baker Tilly AC on 3 September 2013. Dato' Chong is now the Senior Executive Director of SOGO Group of Companies.

PROFILE OF DIRECTORS
cont'd

DATUK ABDULLAH BIN ABDUL WAHAB *KMN, DPSJ, PJN*
Senior Independent Non-Executive Director

Datuk Abdullah bin Abdul Wahab, aged 68, a Malaysian, male, was appointed to the Board on 3 March 2008 as an Independent Non-Executive Director and was re-designated as Senior Independent Non-Executive Director on 23 January 2013. He is the Chairman of Nominating and Remuneration Committee and a member of the Audit Committee.

Datuk Abdullah graduated from the Universiti Sains Malaysia (USM) with a Bachelor of Social Science (Honours) degree in 1976. He was an Administrative Officer at the School of Pharmacy, USM Penang from 1976 to 1980. He started his career at The Parliament of Malaysia as Assistant Secretary in 1980 and subsequently assumed all aspects of administrative functions at The Parliament. In 1999, he was appointed as Secretary to the Senate, and in 2004, he was elevated as Secretary to The Parliament and Secretary to the Dewan Rakyat. He retired from the civil service in 2006.

LEE MIN ON
Independent Non-Executive Director

Mr Lee Min On, aged 59, a Malaysian, male, was appointed to the Board on 29 November 2016. He is an Independent Non-Executive Director and a member of the Audit Committee and Nominating and Remuneration Committee.

Mr Lee is a Chartered Accountant of the Malaysian Institute of Accountants, a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Chartered Fellow Member of The Institute of Internal Auditors, Malaysia ("IIAM").

He started his career with KPMG Malaysia in 1979 and retired as a Partner of the Firm on 31 December 2015. During his tenure with KPMG, he served in the external audit division before moving to helm the Firm's risk consulting practice, providing, inter-alia, board advisory services that encompassed corporate governance assessment, enterprise risk management and risk-based internal audit for both public listed as well as private corporations.

Mr Lee co-wrote the "Corporate Governance Guide: Towards Boardroom Excellence" 1st and 2nd Editions which were published by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia in 2012. As a strong advocate for good governance and integrity in the market place, Mr Lee regularly speaks at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Control.

He is also an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, APM Automotive Holdings Berhad and Kotra Industries Berhad and serves as Audit Committee Chairman of IIAM.

He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Save as disclosed above, none of the other Directors has:

(i) any family relationship with any Director and/or major shareholder of the Company; and
(ii) any conflict of interest in the Company.

The above Directors have not been convicted of any offence within the past five (5) years other than traffic offence, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Key Senior Management of Warisan TC Holdings Berhad ("Warisan") Group comprises Dato' Tan Heng Chew - President, Mr Tan Keng Meng – Chief Executive Officer, Mr Chin Ten Hoy - Executive Vice-President, whose profiles are included in the Profile of Directors on pages 18 to 20 in the Annual Report 2018, and the following senior management personnel:

KONG HON KHIEN

Chief Financial Officer

Mr Kong Hon Khien, aged 50, a Malaysian, male, joined The Warisan Group as General Manager in June 2017 and was subsequently appointed as Chief Financial Officer of Warisan in July 2017.

Mr Kong graduated from Kolej Tunku Abdul Rahman with a Diploma in Commerce (Management Accounting). He is a Chartered Accountant and is an Associate Member of The Chartered Institute of Management Accountants. He is also a Member of the Malaysian Institute of Accountants.

He has more than 26 years of working experience in various industries which includes shipping, manufacturing, transportation, information technology and trading.

NICHOLAS TAN CHYE SENG

Director, MUV Marketplace

Mr Nicholas Tan Chye Seng, aged 45, a Malaysian, male, a Director of MUV Marketplace Sdn Bhd ("MUV Marketplace"). Mr Nicholas Tan is the founder of "MUV", a pioneer of an Offline2Online marketplace for used vehicles with the highest gross merchandise value in transactions recorded since 2014. He also led the investment in "GoCar" Malaysia's first car sharing platform when Mayflower Car Rental Sdn Bhd, a subsidiary of Warisan acquired a controlling stake in 2016.

Mr Nicholas Tan graduated from Boston University School of Management, USA with a Bachelor of Science Degree.

Mr Nicholas Tan joined Tan Chong Motor Holdings Berhad ("TCMH") in 2008 and headed the Corporate Planning and Strategic Investment Division. Today, he is the Executive Vice President of Financial Services and developed the supporting eco-system for car financing, car sharing, leasing, rentals and insurance products verticals.

He is also a Non-Independent Non-Executive Director of APM Automotive Holdings Berhad, a listed company on the Main Market of Bursa Malaysia Securities Berhad. He was on the founding board of Grab Inc. (a Singapore based technology company that offers ride-hailing, ride sharing, food delivery service and logistics services through its App in South East Asia) until end of 2017. He was formerly an Executive Director and Vice President of equities research in global investment banks for 10 years in Kuala Lumpur, Singapore and Hong Kong prior to joining TCMH.

He is the son of Dato' Tan Heng Chew, who is a Director and major shareholder of Warisan.

PROFILE OF KEY SENIOR MANAGEMENT
cont'd

PHUA KHIM HIANG
General Manager, Mayflower Car Rental Division

Mr Phua Khim Hiang, aged 46, a Malaysian, male, joined the Warisan Group as Assistant Finance Manager in 2003 and was promoted to Finance Manager in 2004 taking charge of accounting and finance of Mayflower Car Rental Sdn Bhd. He was subsequently transferred to the Business Development Division in 2009 responsible for the business expansion of Mayflower Group.

Currently, he is overseeing the regional business activities and business expansion of Mayflower Car Rental business.

Mr Phua is a Chartered Accountant, a Fellow Member of Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants.

He has 23 years of working experience in accounting, finance, travel and car rental.

CHIN YEN SONG
General Manager, Mayflower Corporate Travel Division

Ms Chin Yen Song, aged 45, a Malaysian, female, joined the Warisan Group as Finance Manager in 2003 and was promoted to Deputy General Manager and General Manager in January 2011 and July 2015 respectively. She was tasked to undertake the current role in 2010 to oversee the corporate travel business of Mayflower Corporate Travel Services Sdn Bhd. She is responsible for business development and retention, and to drive customer service excellence.

Ms Chin is a Chartered Accountant, a Fellow Member of Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants.

Prior to joining Warisan Group, Ms Chin worked in Singapore for more than 10 years in telecom and manufacturing companies as Accountant.

CHALORAJU A/L SUBRAMANIAM
Senior General Manager, Machinery Division (East Malaysia)

Mr Chaloraju A/L Subramaniam, aged 58, a Malaysian, male, joined the Warisan Group in 1987 and was promoted to Senior General Manager in 2014. He oversees the business operation of industrial machinery in East Malaysia.

Mr Chaloraju holds a Diploma in Heavy Machinery from the Institut Latihan Perindustrian. He has more than 25 years of experience in heavy machinery products and services management.

PROFILE OF KEY SENIOR MANAGEMENT
cont'd

LEE KING SOON
General Manager, Light Machinery Division

Mr Lee King Soon, aged 55, a Malaysian, male, joined the Warisan Group in 1997 as Senior Manager-Finance in charge of accounting and finance. He was promoted to Deputy General Manager in 2008 and subsequently as General Manager in 2013. In May 2015, he was transferred to head the sales and marketing of light industrial machinery business.

Mr Lee is a graduate from Kolej Tunku Abdul Rahman with an advance Diploma in Financial Accounting. He is also a Chartered Accountant and a Fellow Member of the Association of Chartered Certified Accountants.

He has more than 30 years of working experience covering audit, accounting, finance, manufacturing, steel construction and light industrial machinery.

NG KIAT SENG
Senior General Manager, Automotive Division

Mr Ng Kiat Seng, aged 56, a Malaysian, male, joined the Warisan Group in April 2014 as Senior General Manager taking charge of sales and marketing function of automobile business.

Mr Ng completed his Sijil Pelajaran Malaysia and has more than 35 years of experience in automotive industry. Prior to joining Angka-Tan Motor Sdn Bhd, he was the Product Head of the Bus Division of Tan Chong Industrial Equipment Sdn Bhd, a subsidiary of Tan Chong Motor Holdings Berhad.

ALAN CHEAH KIAN MENG
Chief Executive Officer, GoCar

Mr Alan Cheah Kian Meng, aged 39, a Malaysian, male, joined the Warisan Group as Chief Operating Officer in 2016 and was subsequently promoted to Chief Executive Officer in 2017 taking charge of the business of Gocar Mobility Sdn Bhd ("GoCar"). He is primarily tasked to oversee product management, business development strategy, digital strategy, customer experience, marketing strategy, and big data management.

Prior to this, he was the Marketing Director at Malaysian Global Innovation & Creativity Centre ("MaGIC"). Primarily responsible for leading and strategising the digital roadmap to create regional awareness and engagement for MaGIC's brands, programs, and projects across the ASEAN region. He was also the lead digital strategist for MaGIC Accelerator Program Cohort 1, MaGIC Academy MA2014 & MA2015, and e@Stanford Programs - a partnership with the University of Stanford.

Apart from work, he is frequently sharing thoughts and giving talks on personal growth, marketing, entrepreneurship, urban mobility, alternative transportation and team culture.

Mr Alan Cheah graduated with a Bachelor of Science in Computing from University of Portsmouth, England.

He has more than 15 years of working experience in marketing, branding and digital strategy.

Save as disclosed above, none of the key senior management personnel has:

(i) any directorship in public companies and listed companies;
(ii) any family relationship with any Director and/or major shareholder of the Company;
(iii) any conflict of interest with the Company;
(iv) any conviction for offences within the past five (5) years other than traffic offences, if any; and
(v) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SUSTAINABILITY STATEMENT

We recognise the importance of sustainability and the impact on us and our future generations. As a responsible corporate citizen, our objective is not just to deliver financial performance, but to make positive contribution to the environment, resources, and community.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board is primarily responsible for the sustainability performance of the Group. A Risk and Sustainability Committee ("RSC") headed by our Chief Executive Officer was established to assist the Board in identifying material sustainability matters, managing and monitoring their progress on a regular basis to ensure the Group achieves its long-term sustainability goals. The main task of the RSC covers the determination of Economic, Environmental and Social ("EES") risks and opportunities within the eco-system of the Group. Among the responsibilities of the RSC include identifying the EES impacts on the Group, implementation of the approved sustainability strategies and action plans to achieve the Group's milestones and goals.

Our Group is a diversified one whose main activities include the provision of travel and car rental services; the distribution and rental of machinery imported from manufacturers of international repute; the assembly, distribution and sale of commercial vehicles and the provision of used vehicle auction services. Each subsidiary in the Group has set up its own Risk and Sustainability Committee ("Sub-Committee") to look into the matters that affect stakeholders where it operates. The Sub-Committee reports the progress on activities that are pertinent to sustainability matters to RSC at least twice yearly.

Below is the governance structure of the Group and the 3 Sub-Committees as shown below are for illustration purpose only as the Group has more than 3 Sub-Committees:

SUSTAINABILITY STATEMENT
cont'd

Stakeholder Engagement

Our Group believes that engagement with the various stakeholders is integral in steering us towards our long-term sustainability goals. Our business divisions aim to maintain a constant line of communication with stakeholders, both at formal and informal levels. It is through this practice of open communication that our Group has been able to build a trustworthy relationship with our stakeholders, comprising customers, investors, suppliers, employees, regulatory and statutory bodies, local communities, higher learning institutions and local community/welfare organisations.

Listed below are the issues of concern impacting different stakeholder and the various forms of engagement which the Group has undertaken:

Stakeholders	Issues of Concern	Forms of Engagement
Customers	o Consistent quality product o Support services o Cost of ownership	o Customer survey o Customer service centre o Visitation o Feedback to principals on quality and product enhancement
Suppliers	o Product quality o Pricing and delivery schedule	o Supplier evaluation o Goods reject report
Employees	o Career development o Compensation policy o Employee welfare o Learning and development o Health and safety o Ethics and integrity	o Annual staff appraisal o Training o Team building activities o Young Executive Club
Regulatory and Statutory Bodies	o Laws and regulations o Statutory compliance o Labour practices o Environment and compliance	o Active engagement with respective regulatory agencies and bodies o Policies and procedures
Higher institution, community and welfare organisation	o Career opportunity o Community welfare	o Participate in career fair o Social contribution and community services
Shareholders	o Group financial performance o Business strategy o Corporate governance	o Annual General Meeting o Quarterly and statutory announcements to Bursa Malaysia o Policies and framework o Corporate website

SUSTAINABILITY STATEMENT
cont'd

Material Assessment

The assessment process was done by RSC to determine the material sustainability matters to the Group. This process also took into consideration the impact of such matters upon the business of the Group and their relative importance to stakeholders in influencing their decision on the prioritised basis. A list of sustainability matters that is relevant to the business and the industry we operate in was presented to the RSC for assessment.

RSC has identified a total of 10 material sustainability matters that are important to the business and to our stakeholders, following the materiality assessment process. With that, we are able to manage and monitor such materials sustainability matters on an ongoing basis.

MATERIAL SUSTAINABILITY MATTERS

ECONOMIC

> Customer Satisfaction
> Productivity
> Succession Planning

ENVIRONMENT

> Waste & Energy

SOCIAL

> Employee Training & Education
> Diversity & Equal Opportunity
> Communities Activities & Contributions
> Workplace Safety and Health
> Compliance with Laws and Regulations
> Integrity

ECONOMIC

Customer Satisfaction

Our growth is highly dependent on our customers. Besides maintaining customer loyalty, securing new customers is essential to maintain our sustainable growth.

Various methods of survey such as the use of customer survey form and social media via Facebook are conducted on a regular basis to ensure we stay in touch and respond to our customers' requirements and expectation in a timely manner. We endeavour to retain our competitive advantage to remain as the first option to our customers.

We treat our customers' complaints seriously and ensure issues are addressed on timely basis. Trainings are conducted on regular basis to ensure our technical staff are well versed with the issues of the products and to reduce the machine downtime. We have a response team to attend to the machine breakdown at site and replacement car for any unscheduled breakdown. For service staff, we ensure they have necessary skills to handle customers' complaints.

Feedback from customers relating to our products is always communicated to our Principals so that they have a better understanding on the requirements of local customers.

SUSTAINABILITY STATEMENT
cont'd

Productivity

In current highly competitive market, productivity and efficiency have been the key factors to ensure the Group's long term sustainability.

We strongly believe that customers prefer a company that is able to provide them the best service and product that meets their requirement.

To ensure our ability to continuously meet the high expectation of the customers, we strive to maximise our resources in order to serve our customers in a more efficient manner.

Succession Planning

We acknowledge the importance of staff quality towards our Group's success.

Hence, the Group has a succession planning program where internal talents within the Group are identified, developed and groomed to take over the key positions from the incumbents in future. This succession program is not only limited to top management but also applies to different levels of management within the Group.

The top management reviews the progress of potential successors from time to time and proper training and guidance are provided as and when required.

We believe that the succession program plays an important role in retaining younger generation within the Group as it provides opportunities for career development and growth within the Group.

ENVIRONMENT

Resources, Waste & Energy

We are committed to preserving the nature of our environment for the future generation. The Group has implemented various environmental and waste management practices in its daily operation in our efforts to reduce the carbon footprint which include:

- Practices in office which include waste segregation dustbins, reduce paper printing, replacing fluorescents lamps with energy efficient LED tubes and inverter technologies electrical appliances in stages to conserve energy;
- Only authorised waste service centres and waste collectors are engaged to ensure wastes are discharged in proper manner to protect the environment;
- We encourage the use of synthetic oil to prolong the service interval and hence reduce the volume of used engine oil being disposed of;
- Grease, oil and silt traps are installed at our workshops to minimise their discharge into the environment;
- Our GoCar's business model aims at reducing vehicle ownership and number of vehicles on the road which will eventually result in less carbon emission and scrapped vehicles in the future; and
- Our online travel portal (www.mayflower.com.my) provides convenience to the users to book their travelling needs from the comfort of their home and/or office which not only saves time but reduces the hassle of looking for parking and fuel wastages.

SUSTAINABILITY STATEMENT
cont'd

SOCIAL

Employee Training, Education and Career Development

We recognise that human capital is the key driver to the Group's sustainability and performance. Hence, the need to invest in human capital is no longer an option but of utmost importance. Therefore, our employees are continuously trained and equipped with relevant skills and knowledge to ensure they are able to handle challenges with confidence.

We offer training, both internal and external, to all levels of employees who need to be trained with the right skills to become more effective and productive.

We have targeted to provide up to 20 hours of job-related training program per employee. The table below shows the training hours recorded in the last 2 years:

YEAR 2018

20,321 Total Training Hours

Average Training Hours 15.56 per employee

Total Employee 1,306

YEAR 2017

12,933 Total Training Hours

Average Training Hours 9.57 per employee

Total Employee 1,352

The Group also has various programmes to engage the younger generation to cultivate their talents and maximise their potential which include:

o Young Executive Club

It is an exclusive club for young employees. The President of the Club is elected by its members and assisted by a group of committee members. The club currently has 76 members.

The Club is responsible for organising various activities in the company. This gives the members an opportunity to participate in planning, monitoring, and decision making.

One of the key activities of the Club is planning and organising the 2018 Annual Dinner for the Machinery Group with more than 500 employees.

Accolades for Human Resources Development

One of our subsidiaries, TCIM Sdn Bhd ("TCIM"), was awarded with the Certificate of Excellence in Human Resources Development for employer category during the Human Resources Development Awards 2018. It is a prestigious award by the Human Resources Development Fund (HDRF).

This is a significant achievement for the Group as we competed against some of the largest organisations in the country. It showed the determination and commitment taken by our Group to be recognised as one of the companies of choice for employees.

Diversity & Equal Opportunity

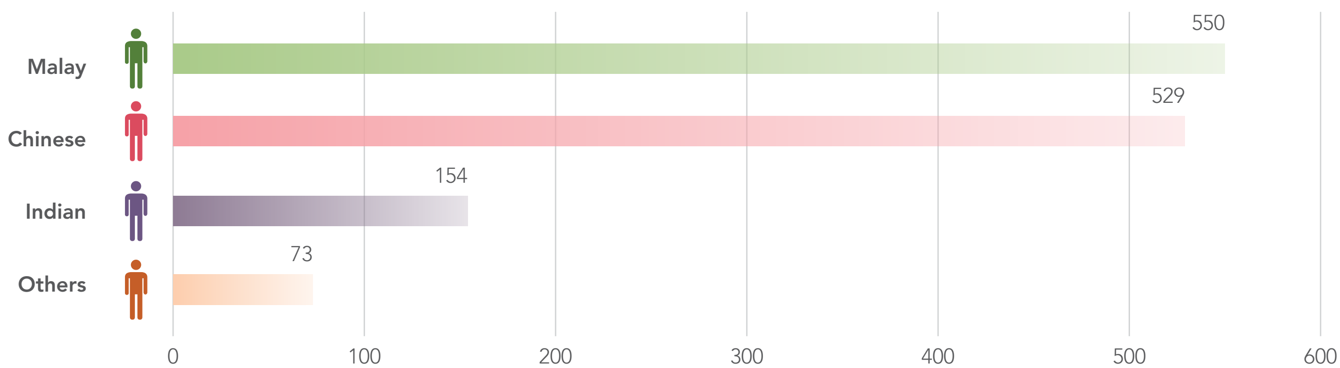
We acknowledge that diversity of our people is a source of strength. Therefore, we promote inclusiveness and equal opportunity, regardless of ethnicity, nationality, gender or age of employees.

SUSTAINABILITY STATEMENT
cont'd

All employees are treated equally within the Group and are appraised and rewarded solely based on their merit.

The ethnicity and gender profiles of the Group's employees are as follows:

Ethnicity Year 2018



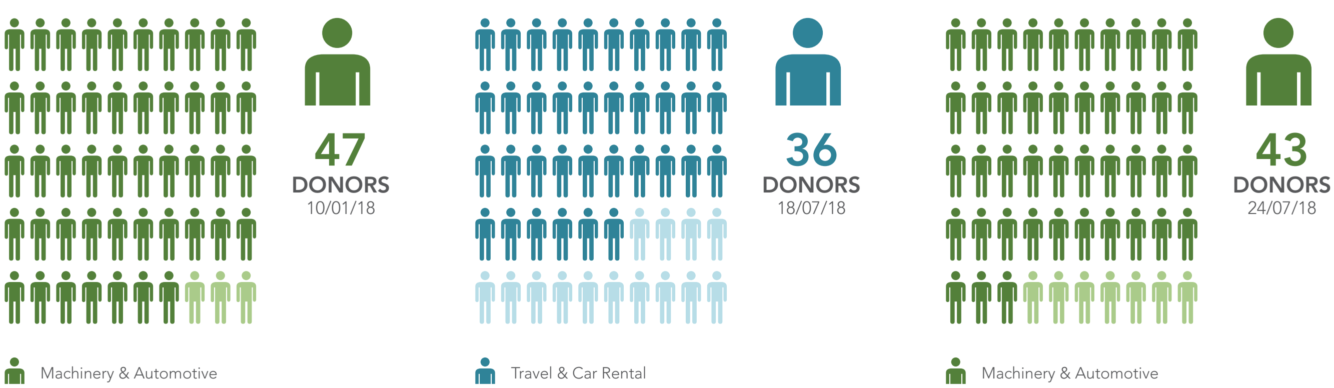
Gender Year 2018

Communities Activities & Contributions

We acknowledge the importance of assisting the less fortunate and have always ensured that we contribute back to the society as part of our humble efforts which can change the lives of people in need as even a small gesture such as donation will have a large impact on the community. Therefore, the various activities we had carried out during the year included the following:

CSR Activity 1: Blood Donation

There were three blood donation sessions in 2018 and we managed to garner a total of 126 blood donors (2017: 119 blood donors).



SUSTAINABILITY STATEMENT
cont'd

CSR Activity 2: Clap Charity Run

The first CSR activity for the year took place at University of Malaya on 13 May 2018. A total of 25 participants from TCIM gathered early in the morning to prepare for the CLAP charity run to raise funds in supporting children born with cleft lip and palate.

CSR Activity 3: Visit to Old Folks Home

A total of 12 participants from the Machinery Group visited Chik Shin Tong, an organisation for old folks, on 9 June 2018. Various activities were conducted during the visit, which included a short introduction, get to know session, singing, ping pong game, birthday celebration with birthday cakes, and presenting essential goods for daily usage which covered both consumables and non-consumables.

SUSTAINABILITY STATEMENT
cont'd

CSR Activity 4: Visit to the Orphanage Home

In conjunction with Chinese New Year, 10 employees from TCIM Sibu Branch visited the Methodist Children Home which was home to 64 orphans. TCIM Sibu Branch prepared "Ang Pows" for each of the orphans and bonded with them through the chit-chat session.

CSR Activity 5: Visit to Science Museum with Orphans

On 23 June 2018, the Machinery Group and the Mayflower Group collaborated together to bring the orphans from Ti-Ratana Welfare Society to Petrosains in order to cultivate their interest towards science. The Mayflower Group sponsored financial assistance to the Ti-Ratana Welfare Society through a cheque handing ceremony, as well as a 44-seater coach as means of transportation. The visit proved fruitful as many of the orphans showed high levels of interest towards the creative and innovative scientific inventions. The visit ended with a lunch and the orphans were transported back to Ti-Ratana Welfare Society through the coach provided.

SUSTAINABILITY STATEMENT
cont'd

CSR Activity 6: Donation Drive for the unfortunate incident which happened to our employee

In the month of July 2018, the Company came to know of an unfortunate incident which happened to one of our colleagues who lost both his young children. With his consent, the Machinery Group initiated a donation drive which involved all 16 branches and headquarter and has successfully collected RM4,135.00 for the unfortunate colleague.

CSR Activity 7: Car Wash for Charity

In line with our vision to move towards a more "CARING" company, TCIM initiated the program – Car Wash for Charity on 4 August 2018. The program was aimed to collect funds by washing cars during rest days within TCIM's premise. The duration of this program was one month and it turned out to be a huge success. 70% of the proceeds will be donated to the charitable organisation while the remaining 30% will be used for the next CSR activity.

CSR Activity 8: Job Opportunity for Interns and Fresh Graduates

We always provide an opportunity for fresh graduates and interns to work at our Group. We participated at various job fairs at the following locations:

No.	Fair Title	Location	Date
1.	Mini Job Fair Sempena Program "Jom Bantu Rakyat"	PPR, Batu Muda, Jalan Ipoh, Kuala Lumpur	18 March 2018
2.	Job Fair Teknikal Vokasional Dan Latihan	Bilik Mawar, Level 2, PWTC, Kuala Lumpur	22 March 2018 & 23 March 2018
3.	HELP University Business Final Year Project Viva	HELP University, Damansara Height, Petaling Jaya	19 April 2018 & 20 April 2018
4.	Career Fair & Internship Day UPNM 2018	Universiti Pertahanan Nasional Malaysia	25 April 2018
5.	Job Fair @ UTC 5.0	Hall A, UTC Pudu, Kuala Lumpur	6 October 2018
6.	UTAR Virtual Career Fair October 2018	Warisan Headquarter, Jalan Ipoh via Skype	23 October 2018 – 25 October 2018
7.	UKM Integrated Internship & Career Day 2018	Dewan Tun Abdullah Salleh (Dtams), UKM	31 October 2018
8.	Training Session @ Business Final Year Project	HELP University, Damansara Height, Petaling Jaya	23 November 2018

In 2018, we recruited some fresh graduates to join our workforce from the education fairs. We also engaged a total of 29 interns for various subsidiaries in the Group and provided them with the required industrial training in our efforts to equip them with the required knowledge and skills for their future. Some of interns became our permanent staff.

SUSTAINABILITY STATEMENT
cont'd

Workplace Safety and Health

Employee safety and health matter has always been the Group's priority. Hence, we strive to ensure our employees work in a safe and healthy environment at all time.

All our subsidiaries have their own Safety and Health Committees who meet on regular basis to review the safety and health related matters. Our employees are required to attend talks on safety related issues to maintain safety awareness at all times. Our offices and factories are inspected by properly trained and qualified safety personnel on regular basis which includes ad-hoc spot checks as well.

All accidents, regardless of minor or serious, and even near misses, are carefully reviewed by the Safety and Health Committee to ensure action plans are put in place to prevent the recurrence of accident. No fatality was recorded in 2018.

We understand the importance of response time in any emergency situation especially in a fire incident. Therefore, we ensure fire drills are carried out on scheduled and unscheduled basis to ensure that the Emergency Response Team and employees are able to act in an orderly manner and within acceptable timeframe.

Compliance with Laws and Regulations

We observe compliance with laws and regulations seriously. We ensure all our activities are operated within the laws and regulations at all times, be it in Malaysia or other countries where we have business operation. Our independent Internal Auditors, in their scope of audit, would cover compliance with regulatory requirements.

Integrity

Integrity ranks high on our corporate agenda and it is one of the key elements of the 7 Core Values adopted by the Group. We believe that a company will not be able to sustain in the long term if its people lack integrity.

The Group has zero tolerance on fraud and corruption practices by any of the employees from all levels. Hence, we expect our employees to imbibe a culture of honesty, reliability, transparency, and accountability throughout the organisation and among our stakeholders.

The Group has in place the following policies to address fraud issues:

- Code of Conduct for Employee;
- Fraud Prevention Policy; and
- Special Complaints Policy.

CONCLUSION

The Board is mindful of the need to review the Group's material sustainability issues, including the process to identify such matters for ongoing monitoring. Steps will be taken to enhance this process from time to time, especially measures to be taken in order to realise the Group's aspiration on the sustainability front in its businesses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Warisan TC Holdings Berhad ("Company" or "WTCH") recognises the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Board believes having sound corporate governance practices will improve corporate transparency, accountability, performance and integrity.

As such, the Board embeds in the Group a culture that is aimed at delivering balance between conformance requirements with the need to deliver long-term strategic success through performance, without compromising on personal or corporate ethics and integrity.

This Statement provides an overview of the Company's application of the Principles as set out in the Malaysian Code on Corporate Governance ("MCCG") during the financial year under review. Details on how the Company has applied the Practices as set out in the MCCG during the financial year 2018 are disclosed in the Corporate Governance Report, which is available on the Company's corporate website at www.warisantc.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is collectively responsible for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board sets the strategic direction for the Group, and ensures effective leadership through oversight of Management and robust monitoring of the activities and performance in the Group.

All members of the Board are aware of their responsibilities to take decisions objectively which promote the success of the Group for the benefits of shareholders and other stakeholders, besides safeguarding their interests. The Company has established a Board Charter which outlines the Board's roles and responsibilities. This Board Charter is periodically reviewed by the Board to be in line with regulatory changes and to reflect recent changes made to the terms of reference of the Board Committees. The salient features of the Board Charter are publicly available on the Company's website at www.warisantc.com.my.

The key roles and responsibilities of the Board broadly cover formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementations of appropriate systems to manage those risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure including succession planning.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee and Nominating and Remuneration Committee ("NRC"), to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board. The members of both Audit Committee and NRC are all Independent Non-Executive Directors.

In enhancing accountability, the Board has established clear functions reserved for itself and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, approval of annual budgets and audited financial statements, quarterly and annual financial statements for announcement, investment and divestiture, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter.

The positions of the Chairman and the Chief Executive Officer are held by different individuals to ensure an appropriate balance of roles, responsibilities and accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

The Executive Team (as defined in the Board Charter) comprising the President (leader), Chief Executive Officer, Senior Vice President, Chief Financial Officer and other Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which include, inter-alia, the achievement of the Group's goals and observance of Management authorities delegated by the Board, developing business plans which are aligned to the Group's requirements for growth, profitability and return on capital to be achieved, ensuring cost effectiveness in business operations, overseeing development of human capital and ensuring members of the Board have the information necessary to discharge their fiduciary duties and other governance responsibilities.

As the leader of the Executive Team, the President, who is supported by the Chief Executive Officer, Senior Vice President, Chief Financial Officer and other Senior Management Personnel, oversees the overall management and strategic development of the Group. The Chief Executive Officer is responsible for managing and supervising the day-to-day business operations in accordance with the Group's strategies, policies and business plans approved by the Board.

The President assumes the position of the Chairman of the Board. As Chairman, he is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion.

The Independent Non-Executive Directors, which comprise half the Board's size, are responsible for providing insights, unbiased and independent views, advice and judgement to the Board and also ensuring effective checks and balances on Board's decisions. Independent Non-Executive Directors are essential for protecting the interests of shareholders, in particular minority shareholders, and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

The Board also delegates its authorities to Management committees, namely Risk and Sustainability Committee and Executive Management Committee (both of which are Management level committees), and comprise appropriate members of Management in order to ensure the operational efficiency and specific matters are being handled effectively.

The Board has formalised a Directors' Code of Ethics setting out the standards of conduct expected from all Directors. The Directors' Code of Ethics is contained in Appendix A of the Board Charter which is published on the Company's website at www.warisantc.com.my. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees, which has been communicated to all levels of employees in the Group. The Company also has in place a Special Complaint Policy, which is equivalent to whistle-blowing policy that serves as an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified in accordance with the requirements of the Companies Act, 2016, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

In discharging their responsibilities effectively, the Directors allocate sufficient time to attend Board and Board Committee meetings to deliberate on matters under their purview. During the year, the Board deliberated on matters relating to business strategies and issues concerning the Group, including business plan, annual Group budget, financial results and significant transactions. All Board and Board Committee members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting, in a timely manner to the Board and Board Committee members. For the financial year under review, the Board had convened five (5) Board meetings and the attendances of the Directors are as follows:

Name	No. of Board Meetings attended	Percentage of Attendance (%)
Dato' Tan Heng Chew	5/5	100
Tan Keng Meng	5/5	100
Chin Ten Hoy	5/5	100
Dato' Chong Kwong Chin	5/5	100
Datuk Abdullah bin Abdul Wahab	5/5	100
Lee Min On	5/5	100

The Board is mindful of the importance for its members to undergo continuous education and training programmes to be apprised of the changes to regulatory requirements and the impact such regulatory requirements have on the Group. Besides circulating the relevant circulars and guidelines on statutory and regulatory requirements from time to time for the Board's reference, the Company Secretaries also explain to the Board at its meeting the implication of the requirements on Directors.

All Directors of the Company have completed the Mandatory Accreditation Programme as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). During the financial year under review, the trainings attended by the Directors included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. Details of the training programmes attended/ participated by the Directors are as follows:

Directors	Details of Program
Dato' Tan Heng Chew	▪ Bursa Malaysia and Institute of Corporate Directors Malaysia ("ICDM"): Breakfast Series – Companies of the Future – The Role for Boards ▪ Bursa Malaysia and The Iclif Leadership and Governance Centre: Breakfast Series – "Non-Financial – Does It Matter?"
Tan Keng Meng	▪ Mazars PLT: MFRS 16 Leases ▪ WTCH: Importance of having robust Governance Risk & Control/Compliance Framework ▪ Tan Chong Motor Holdings Berhad: 2019 Budget Briefing by Mr Tang Chin Fook, Tax Consultant
Chin Ten Hoy	▪ Mazars PLT: MFRS 16 Leases ▪ WTCH: Importance of having robust Governance Risk & Control/Compliance Framework
Dato' Chong Kwong Chin	▪ Mazars PLT: MFRS 16 Leases ▪ Malaysian Private Entities Reporting Standards (MPERS) – Recent Developments and Updates ▪ Malaysian Institute of Accountants ("MIA"): MFRS 15: Revenue from contracts with customers – no longer business as usual ▪ MIA: MIA International Accountants Conference 2018

Directors	Details of Program
Datuk Abdullah bin Abdul Wahab	▪ Bursa Malaysia and Securities Commission Malaysia ("SC"): Corporate Governance Briefing Sessions:- MCCG Reporting and CG Guide ▪ Minority Shareholders Watchdog Group ("MSWG") and Bursa Malaysia: Advocacy Programme on CG Assessment using the Revised ASEAN CG Scorecard Methodology ▪ ICDM: Breakfast Series:- Companies of The Future – The Role for Boards ▪ Bursa Malaysia and ICDM: Would A Business Judgment Rule Help Directors Sleep Better at Night?
Lee Min On	▪ Bursa Malaysia and SC: Corporate Governance Briefing Sessions – MCCG Reporting and CG Guide ▪ Audit Committee Institute ("ACI"): ACI Breakfast Roundtable March 2018 ▪ Mazars PLT: MFRS 16 Leases ▪ MSWG and Bursa Malaysia: Advocacy Programme on CG Assessment using the Revised ASEAN CG Scorecard Methodology ▪ ACI: ACI Breakfast Roundtable August 2018 ▪ Malaysian Anti-Corruption Academy: Gearing Up for Corporate Liability ▪ WTCH: Importance of having robust Governance Risk & Control/Compliance Framework (as speaker) ▪ Bursa Malaysia and ICDM: Breakfast Series – Companies of the Future – The Role for Boards

II. BOARD COMPOSITION

The Company is led by an experienced Board with diverse background in business and financial experience, and skills which are vital for the continued progress and success of the Group.

The Board currently has six (6) members, comprising three (3) Independent Non-Executive Directors and three (3) Executive Directors. This composition of the Board fulfills the requirements as set out under the Listing Requirements of Bursa Malaysia which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher must be independent. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering, finance, accounting and audit, legislative and administration, corporate governance, risk management and internal audit, as well as marketing and operations. The profiles of the members of the Board are provided in the Annual Report.

The NRC is entrusted to assess the adequacy and appropriateness of the Board composition, identify and recommend suitable candidates for Board membership and also to assess annually the performance of the Directors, succession plans and Board diversity, including gender, age and ethnicity diversity, training courses for Directors and other qualities of the Board, including core-competencies, which the Independent Non-Executive Directors should bring to the Board. The Board has the ultimate responsibility of making the final decision on the appointment of new Directors.

Based on the annual assessment conducted on 24 January 2019, the NRC was satisfied with the existing Board composition and concluded that each Director has the requisite competence and capability to serve on the Board and has sufficiently demonstrated their commitment to the Board in terms of time and participation during the year under review, and has accordingly recommended to the Board the re-election of the retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). All assessments and evaluations carried by the NRC in the discharge of its functions were duly documented.

The Company's Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director. Thereafter, he may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director after the latter had served a cumulative term of nine (9) years, the Board must justify such decision and seek shareholders' approval at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

The NRC has assessed the independence of Independent Non-Executive Directors for the financial year 2018 based on criteria set out in Paragraph 1.01 of the Listing Requirements and Practice Note 13 of Bursa Malaysia and concluded that all the Independent Non-Executive Directors have satisfied the independence criteria and each of them is able to provide independent judgement and act in the best interest of the Company.

Following an assessment and recommendation by the NRC, the Board is of the opinion that the independence of the existing Independent Non-Executive Directors remain unimpaired and their judgement over business dealings of the Company has not been influenced by the interest of the other Directors or substantial shareholders.

Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab have each served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. Following an assessment and recommendation by the NRC, the Board recommended that Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab who have both served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years individually as at date of this Annual Report, be retained as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming AGM of the Company based on key justifications as set out under the Explanatory Notes of the Notice of the AGM.

A summary of key activities undertaken by the NRC in discharging its duties during the financial year under review is set out below:

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of Directors who are due for retirement by rotation, and continuation in office as Independent Non-Executive Directors for Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab who have served a cumulative term of more than nine (9) years individually for shareholders' approval at the forthcoming AGM;
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contributions of individual Director;
- Assessed Directors' training needs;
- Reviewed the terms of reference of the NRC; and
- Reviewed the 2018 Bonus and 2019 Salary Increment for Senior Management personnel (including Executive Directors).

The Company has formalised a Board Diversity Policy and such policy is contained in the Board Charter which is published on the Company's website. The Board believes that the evaluation of suitability of candidates should be based on the candidates' competency, character, time availability, integrity and experience in meeting the Company's needs. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre without any specific discrimination as to the age, ethnicity or gender of the candidates concerned. In accordance with the Board Diversity Policy on gender, the Board shall comprise at least a woman Director at any time.

The Board has been taking steps to seek out female candidates based on meritocracy with the optimum mix of skills, knowledge and experience to fill Board positions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

III. REMUNERATION

The NRC has been tasked with expanded duties and responsibilities to assist the Board in implementing policies and procedures on matters relating to the remuneration of Board members and Senior Management.

In accordance with Practice 6.1 of MCCG, the Board has formalised pertinent Policies and Procedures for the Remuneration of Directors and Senior Management to align with business strategy and long-term objectives of the Group. The remuneration packages for Executive Directors and Senior Management are linked to performance, qualifications, experience and scope of responsibility and geographic location where the personnel are based and are periodically benchmarked to the market/industry surveys conducted by human resource consultants.

As a matter of practice, the Directors concerned abstain from deliberation and voting on their own remuneration at Board Meetings.

The remuneration received or to be received by Directors of the Company from the Group and Company for the financial year ended 31 December 2018 amounted to RM3,847,736.00 and RM2,436,886.00 respectively. Details of the remuneration for each of the Directors on a named basis are set out under Practice 7.1 of the Corporate Governance Report uploaded on the Company's website at www.warisantc.com.my.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Independent Non-Executive Directors with Dato' Chong Kwong Chin as the Committee Chairman. The members of the Audit Committee collectively are financially literate and are qualified to discharge their duties and responsibilities set out in the Committee Terms of Reference ("Charter") approved by the Board. They constantly keep abreast of relevant changes to financial reporting standards and pertinent issues which have a significant impact on the financial statements through regular updates from the external auditors and membership in professional bodies.

One of the key responsibilities of the Audit Committee in its Charter is to ensure that the financial statements of the Group and the Company comply with the applicable financial reporting standards in Malaysia and provisions of the Companies Act, 2016. Full details of the Audit Committee's responsibilities can be found in the Charter, which is annexed to the Board Charter, is available on the Company's website. A summary of the activities carried out in 2018 by the Audit Committee is set out in the Audit Committee Report of this Annual Report.

The Charter has a provision on the requirement for a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors and/or their affiliates, including the need for obtaining the Audit Committee's approval for such services.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The Board has put in place a structured framework to enable Management to identify, evaluate, control, report, and monitor the principal business risks faced by the Group. The Board is updated on the Group's internal control system which encompasses risk management practices and the implementation of internal controls to mitigate the identified business risks on a regular basis. Ongoing reviews are performed throughout the year by the respective business units to identify, evaluate, manage, report and monitor the significant risks affecting their business and ensure that adequate and effective controls are in place. The risk registers which are maintained by the Group are reviewed and updated by the Risk and Sustainability Committee (a Management Level Committee) at least twice a year.

Details of the Group's Enterprise Risk Management framework, activities carried out for the financial year under review and reporting processes are set out in the Risk Management and Internal Control Statement included in this Annual Report.

In line with the MCCG and the Listing Requirements of Bursa Malaysia, the Board has established an in-house Group Internal Audit Department ("GIA"), which reports directly to the Audit Committee on the adequacy and operating effectiveness of the Group's system of risk management and internal control. All internal audits carried out are guided by the International Professional Practices Framework of The Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The GIA is independent of the activities it audits and its authority, scope and responsibilities are governed by an Internal Audit Charter approved by the Audit Committee. The scope of work covered by the GIA during the financial year under review is set out in the Audit Committee Report included in this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's shareholders and other stakeholders.

Shareholders and other stakeholders of the Company, as the case may be, are provided with accurate and timely dissemination of information via the Annual Reports, circulars to shareholders, quarterly financial reports and the various announcements which provide an overview of the Group's financial results, business performance and operations. Shareholders and other stakeholders can access information at the Company's website at www.warisantc.com.my, which includes the Board Charter, corporate information, announcements, financial information, and Annual Reports.

The Company also has a dedicated electronic mail, i.e. corporate@warisantc.com to which stakeholders can direct their queries or concerns.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

II. CONDUCT OF GENERAL MEETINGS

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification.

At the 21st AGM held on 25 May 2018, all the Directors (including the chair of the Board Committees) and Senior Management were present in person to engage directly with the shareholders. During the AGM, the Chairman of the meeting ensured the meeting was conducted in an orderly manner and allowed shareholders or proxies to raise questions or seek clarification on agenda items of the AGM. The Chief Executive Officer presented to the Meeting the Group's financial performance, some key initiatives and business outlook of the year. The Directors and Senior Management responded to all questions raised and provided clarification as required by the shareholders. A summary of key matters discussed at the AGM is available on the Company's website.

All resolutions set out in the notice of AGM are voted by poll in accordance with the Listing Requirements of Bursa Malaysia. The Board had adopted electronic voting method for polling at the last AGM to facilitate greater shareholders' participation, enabling efficiency in the voting process as well as ensuring transparency and accuracy of the voting results.

This Statement is dated 4 April 2019.

AUDIT COMMITTEE REPORT

The Board of Directors of Warisan TC Holdings Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2018.

COMPOSITION AND MEETINGS

The Audit Committee ("Committee") was established on 1 November 1999. The current composition of the Committee and the attendance of its members at the five (5) meetings held during the financial year are set out below:

Name	Designation	Attendance
Dato' Chong Kwong Chin *Independent Non-Executive Director*	Chairman	5/5
Datuk Abdullah bin Abdul Wahab *Independent Non-Executive Director*	Member	5/5
Lee Min On *Independent Non-Executive Director*	Member	5/5

The Committee meetings are structured through the use of agendas and relevant board papers which are distributed to the Committee members prior to such meetings. This enables Committee members to study the items on the agenda, including relevant materials that support the items, and, where appropriate, provides an opportunity for them to seek additional information or clarification from Management.

The Committee Chairman calls for meetings to be held not less than four (4) times in a year. Any member of the Committee may requisition for a meeting at any time, and the Committee Secretaries, on such requisition, arrange with the Committee Chairman to convene a meeting. Except in the case of an emergency, seven (7) days' notice of meeting is given in writing to all members. The quorum for meeting is a majority of members who are Independent Non-Executive Directors. Meetings are chaired by the Committee Chairman and, in his absence, by an Independent Non-Executive Director from those members who are present. Decision is made by a majority of votes.

The Chief Financial Officer, Head of Internal Audit and the Company Secretaries, who are the Committee Secretaries, normally attend the meetings to provide explanations and additional information, if needed, to assist the Committee on the agenda items being deliberated. Other Board members and employees may attend meetings upon the invitation of the Committee. A representative of the external auditors attends the meeting to consider the final audited financial statements and such other meetings as determined by the Committee.

The Committee Chairman has the right to require those who are in attendance to leave the room when matters to be discussed are likely to be hampered by their presence or confidentiality of matters that needs to be preserved.

For the financial year under review, the performance of the Committee was evaluated by way of members' self and peer evaluation, the outcome of which was reviewed by the Nominating and Remuneration Committee. Having considered the recommendation made by the Nominating and Remuneration Committee, the Board is satisfied that the Committee members have discharged their functions, duties and responsibilities in accordance with the Committee's Terms of Reference.

In compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Committee's Terms of Reference have been uploaded onto the Company's website at www.warisantc.com.my.

AUDIT COMMITTEE REPORT
cont'd

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year under review, the Committee worked closely with Management, internal auditors and external auditors to carry out its functions and duties as required under its Terms of Reference.

In discharging its roles and responsibilities based on its Terms of Reference, the Committee carried out the following work during the financial year under review and up to the date of this Report:

(1) Financial Reporting

(a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on key material matters, which included the going concern assumption, and ensured the disclosures thereof were in compliance with the Malaysian Financial Reporting Standards and Listing Requirements before recommending the same to the Board for approval to release the quarterly financial results to Bursa Malaysia;

(b) Reviewed the annual audited financial statements of the Company and of the Group, together with the external auditors, before recommending the same to the Board for approval; and

(c) Reviewed the impact of any changes in accounting policies and adoption of any new accounting standards, together with significant matters highlighted in the financial statements.

(2) External and Internal Audit

(a) Reviewed the external auditors' Audit Plan for the Company and Group, which outlined the external auditors' responsibilities, key audit matters, scope of work, in particular the key audit areas, for the financial year ended 31 December 2018 and their fees;

(b) Discussed and reviewed with the external auditors, the results of their examination and the auditors' reports in relation to audit and accounting issues arising from the audit, including auditing standards that were mandated by the Malaysian Institute of Accountants and the impact of new Malaysian Financial Reporting Standards on the results of the Company and Group;

(c) Discussed and reviewed the areas for improvements in the internal control system of companies in the Group as highlighted by the external auditors, including the steps that need to be taken by Management to address the issues;

(d) Considered the suitability and independence of the external auditors by assessing, among others, the adequacy of their resources, timeliness of services, technical knowledge, experience, skills, independence and objectivity, their audit engagement and the competence of the audit team members assigned to the engagement. After having assessed the external auditors in February 2019, the Committee was satisfied that the external auditors were able to meet the audit requirements and statutory obligations of the Company and also their independence and objectivity as external auditors of the Company. Accordingly, the Committee recommended to the Board the re-appointment of Mazars PLT as external auditors of the Company at the forthcoming Annual General Meeting ("AGM"). The Board accepted the Committee's recommendation for Mazars PLT's re-appointment as the external auditors at the forthcoming AGM in May 2019;

(e) Held two (2) private sessions with the external auditors without the presence of Executive Directors, Senior Management and Committee Secretary. These sessions enabled the external auditors discuss with candour with the Committee on any other matters noted by the external auditors during the course of their audit without being beholden to Management's presence;

(f) Reviewed and approved the annual internal audit plan to ensure adequacy of scope and coverage of the auditable areas, including staffing requirements and ensured high risk areas are covered on a regular basis;

AUDIT COMMITTEE REPORT
cont'd

(g) Reviewed the scope of internal audit to ensure the coverage included internal controls on operations, financial, compliance and information technology processes relating to the Group based on the approved annual internal audit plan;

(h) Discussed and reviewed the major findings, areas requiring improvements and key significant internal audit matters raised by internal auditors and Management's response thereto, including follow-up on the status of actions taken by Management to address issues raised in previous internal audits. Management of the respective business units where internal audit issues were raised and who were required to attend the Committee meeting to provide further explanations to the Committee, were entrusted to formulate action plans to improve internal control procedures and workflow processes based on the internal auditors' recommendations;

(i) Reviewed the independence, performance, competence and effectiveness of the internal audit function; and

(j) Held a private session with the Head of Internal Audit without the presence of Executive Directors, Senior Management and Committee Secretary. This session provided a platform for the Head of Internal Audit to discuss with the Committee any areas of professional reservations he might have, including limitation in his scope of work by Management during the course of internal audit.

(3) Recurrent Related Party Transactions

Reviewed the recurrent related party transactions ("RRPTs") of the Group on a quarterly basis to ensure that the transactions entered into by the Group were within the shareholders' mandate obtained at the last AGM of the Company, in relation to the nature and value limits of the transactions, including "arm's length" terms of trade. For impending related party transactions to be entered into by the Group, the Committee deliberated on the nature of the transactions and ensured the terms are in line with the Group's Related Party Transactions Framework and that disclosures were properly made in accordance with the Listing Requirements of Bursa Malaysia.

(4) Other Matters

(a) Reviewed the Circular to Shareholders in relation to shareholders' mandate on RRPTs and the review procedures of RRPTs, Audit Committee Report and Risk Management and Internal Control Statement for inclusion in this Annual Report to ensure compliance with the relevant regulatory reporting requirements prior to recommending the same to the Board for approval; and

(b) Reviewed the corporate risks score cards of the Group as presented by the Chief Executive Officer, and endorsed the action plans that were being implemented by Management of the various business units to mitigate the business risks to acceptable levels.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

The Committee is supported by an in-house Group Internal Audit Department ("GIA"), which reports functionally to the Committee and is independent of the activities it audits. The GIA is headed by Mr Khoo Choong Keat, a Certified Internal Auditor and Certified Fraud Examiner, who is assisted by three (3) internal audit personnel. During the financial year under review, all the internal audit team members have confirmed in writing that they were independent of Management and their objectivity had not been compromised in the course of their work. All internal audits carried out during the financial year under review and up to the date of this Report were guided by the International Professional Practices Framework (IPPF) of The Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors.

GIA operates under a charter approved by the Committee that gives the internal audit function a formal mandate to carry out its work as well as unrestricted access to companies within the Group for the purpose of conducting internal audit.

The GIA adopts a risk-based approach in identifying areas to be audited on a prioritised basis that focuses on key activities of major business units within the Group, taking into consideration the key business risks faced by the Group. Internal audit activities are guided by an annual audit plan which is approved by the Committee.

AUDIT COMMITTEE REPORT
cont'd

The main objectives of internal audit are to assess the adequacy and operating effectiveness of the internal control and risk management systems, and that the operating units and functions assessed are operating in line with the existing Group's policies and procedures.

During the financial year under review, GIA performed internal audits that covered the following areas:

1) **Car Rental Division**

- Branch operations activities covering fleet movement control and record, car rental agreement, fuel card control, traffic summon management, invoicing and collections;
- Headquarter operations review covering:
  - Fleet operation activities, including the management of Touch and Go card and fuel card management;
  - Coach operations activities, including the monitoring of vehicle movement and fuel management; and
  - Year-end stock-take activities on vehicle fleet at Headquarter;

2) **Travel Division**

- Staff temporary advance at Mayflower Holidays Sdn Bhd; and
- Credit control review on Mayflower Corporate Travel Services Sdn Bhd;

3) **Machinery Division**

- Branch operations review covering East and West Malaysia branches on services management, stock management, procurement processes, collection on past due balance, safety and health, and scheduled waste management;

4) **Automotive Division**

- Year-end stock-take activities covering light and heavy commercial vehicles, pick-up trucks and its accessories;

5) **Consumer Product Division**

- Year-end stock-take activities on joint-venture companies, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd;

6) **Risk Management**

- Assess the effectiveness of risk management processes at Mayflower Holidays Sdn Bhd;

7) **Captive Insurance**

- Mandatory audit that covers compliance with laws and regulations, data integrity, claim processes, level of authority, and risk management process; and

8) **RRPTs**

- Review RRPTs to ensure that they were transacted based on arm's length basis and in line with the Shareholders' Mandate on RRPTs and the Group's Related Party Transactions Framework.

GIA also carried out follow-up assessments on the status of Management's action plans to ensure prompt resolution of issues and concerns raised in the internal audit reports. The progress of significant issues was tabled to the Committee for review until such matters were satisfactorily resolved.

This Statement is dated 4 April 2019.

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

Board Responsibility

The Board of Directors ("Board") acknowledges its overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and operating effectiveness to safeguard shareholders' investment and the Group's assets. Due to the inherent limitations in any system of risk management and internal control, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. In pursuing these objectives, it can only provide reasonable, but not absolute, assurance against material misstatement, financial loss or fraud.

Risk Management Framework and Internal Control System

The Board confirms that there is a continuous process to identify, evaluate and manage the significant risks of the Group in its achievement of objectives and strategies, except for the review of risk management in associate and jointly controlled entities whereby the Group's interest is served through representation on the Board of the associate and joint venture companies. The Board also affirms that such process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. During the financial year, key risks relating to the Group's operations and strategic mission were addressed, evaluated and subsequently tabled and endorsed by the Board, including the actions implemented by Management to mitigate the risks to acceptable levels.

Recognising the importance of risk management, the Board has put in place a structured framework to enable Management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis.

The key features of the risk management framework are as follows:

- Establishment of a Risk and Sustainability Committee ("RSC"), which is headed by an Executive Director and comprises key management personnel from the respective business divisions. The RSC is entrusted with the responsibility to identify and communicate to the Board, through the Audit Committee, the principal business risks that the Group faces, their changes and management action plans to mitigate the risks and to review sustainability matters including economic, environmental and social matters, policies and programmes and overseeing performance in such areas and the extent of any action taken by Management to address areas identified for improvement. Minutes of the RSC meetings are presented to the Audit Committee and the Board for notation. For more information on sustainability, please refer to the Sustainability Statement of this Annual Report;

- Adoption of the Risk Management Oversight Policies and Procedures which outline the risk management framework for the Group and offer practical guidance to operating personnel on risk management issues; and

- Periodic updates on Corporate Risk Scorecards by the heads of business division. The high and significant risks, based on the framework, are subject to regular reviews, in particular, internal controls deployed to address such risks.

The RSC is primarily responsible for the establishment of the risk management framework which includes ensuring that risk management processes are adequate and that appropriate action has been or is being taken to reduce identified business risks to an acceptable level across the Group. The risk management process incorporates procedures to identify business risks that are strategic, operational, financial and compliance in nature. The Group continues to foster a risk-aware culture in all decision making and commits to manage business risks in a proactive and effective manner. This is to enable the Group to respond effectively to changing business and competitive environment which is critical for the Group's sustainability, safeguarding of assets and enhancement of shareholders' value.

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT
cont'd

The risk management process within the Group consists of two (2) main stages:

Corporate Stage
- Development of risk management process;
- Establishment of risk parameters, covering financial and non-financial metrics, on the likelihood of risk occurrence and the impact thereof in the event of occurrence. The risk parameters essentially articulate the risk appetite of the Group;
- Adoption of risk management policies and procedures;
- Identification of major risk components;
- Assignment of risk custodians;
- Review of risk assessment summary;
- Review of risk profile summary; and
- Update of the Group Corporate Risk Scorecard.

Process Stage
- Develop and evaluate major risk components;
- Develop and evaluate major risk profiles;
- Develop, implement and monitor risk management action plans; and
- On-going management of risk.

The implementation of risk management activities at subsidiary level is carried out by the working group, comprising heads of subsidiary and selected senior management personnel ("Subsidiary Sub-Risk Committees"), which assists the RSC in managing specific risk areas by taking the appropriate mitigation steps. A Risk Champion is appointed to provide timely risk updates and reports to the RSC and guidance to the Subsidiary Sub-Risk Committees through its appointed Risk Officers to enable a systematic implementation of risk management. The Risk Champion works closely with the Subsidiary Sub-Risk Committees to strengthen the risk management initiatives within the Group.

Subsidiary Sub-Risk Committees identify key business risks as guided by the risk management framework. Reports on identified key risk areas with risk scores based on risk acceptance criteria and remedial measures to address the risks together with progress updates are submitted to the RSC. This process enables the RSC to evaluate the adequacy and operating effectiveness of the risk management process and internal control system.

The RSC conducts at least three (3) meetings annually to review new and existing key risk areas that affect the Group's business operations and the mitigating steps to address them. During the financial year under review, focus was directed towards identifying and evaluating credit risk, foreign currency exposure, liquidity and funding risk, cyber risk, competition risk, human capital risk and risk on regulatory compliance. All matters discussed and decisions made by the RSC during the financial year were disseminated to the Audit Committee and the Board.

Risk Management and Internal Control System

Other key elements of the Group's risk management and internal control system are described as follows:

- Defined lines of responsibility, authority limit thresholds, delegation of authority, segregation of duties and information flow;

- The Executive Management Committee reviews high level operating policies as well as monitors the performance and profitability of business divisions;

- Internal policies and procedures have been established in writing for adherence by personnel in the Group;

- Business planning and budgetary process for business units with periodical monitoring of performance so that major variances are followed up and management actions taken;

- The Group's performance is reviewed and deliberated by the Audit Committee and Board on a quarterly basis with financial performance variances presented by Management, including explanations for significant variances from preceding periods as well as from the budget;

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT
cont'd

- Justification and approval process for major expenditures to ensure congruence with the Company's strategic objectives; and

- Independent appraisals by internal auditors to ensure ongoing compliance with policies and procedures whilst assessing the adequacy and operating effectiveness of the Group's internal control system that addressed strategic, financial, compliance, and operational risks.

The Board has also formalized a fraud prevention framework which aims to provide broad principles, strategy and policy for the Group to adopt in relation to fraud in order to promote high standards of integrity. This framework establishes comprehensive programs and controls for the Group as well as highlights the roles and responsibilities at every level for preventing and responding to fraud. In augmenting the fraud prevention framework, the Board has adopted a Special Complaints Policy which sets out procedures for employees to raise concern on any questionable practices or improper activities within the Group.

Internal Audit Function

The Group has established an in-house internal audit function to support the Audit Committee, and by extension, the Board, by providing independent and objective assurance on the adequacy and operating effectiveness of the Group's system of internal control. The internal audit function adopts a risk-based approach that focuses on major business units in the Group for the purpose of identifying areas to be audited on a prioritized basis, vis-à-vis the business risks inherent in the business units concerned. The Group's Internal Audit Plan is tabled annually and approved by the Audit Committee. Action plans are taken by Management to address audit findings and concerns raised in the internal audit reports. The internal audit function also follows up on the status of Management's action plans on the internal audit findings. On a quarterly basis, the internal audit reports are presented and tabled at the Audit Committee meetings. Details of actual work carried out by the internal audit function, together with its scope of coverage, for the financial year under review are set out in the Audit Committee Report included in this Annual Report.

The internal audit team conducting the internal audit assignment is independent of the activities it audits and has no involvement in the operations that are being audited. In assessing the independence of internal auditors, the head of internal audit has confirmed to the Audit Committee that he and his team are free from any relationship or conflict of interest which could impair their objectivity and independence.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2018 amounted to approximately RM423,900 (2017: approximately RM400,000).

Review of the Group's system of risk management and internal control

The Board is of the view that there were no material losses that resulted from a breakdown in the system of risk management and internal control. Moreover, the Board has received assurance in writing from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system, covering all key controls, including strategic, financial, operational and compliance controls, is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework adopted by the Group. The Board is of the view that the system of risk management and internal control, which is in place for the financial year under review and up to the date of this Statement, is adequate to achieve the Group's business objectives.

RISK MANAGEMENT
AND INTERNAL CONTROL STATEMENT
cont'd

Review of the Statement by External Auditors

The external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the year ended 31 December 2018, and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and views by the Board of Directors and Management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement is dated 4 April 2019.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following additional information is provided:

(i) Utilisation of proceeds

There were no proceeds raised from corporate exercises during the financial year.

(ii) Audit and non-audit fees

The amount of audit and non-audit fees incurred for the services rendered by the external auditors of the Company, Mazars PLT or a firm or company affiliated to the external auditors, to the Company and the Group respectively during the financial year ended 31 December 2018 were as follows:

	Group	**Company**
	2018	**2018**
	RM'000	**RM'000**
Statutory audit fees	255	26
Non-audit fees*	105	10

Note:
* *The non-audit fees relate primarily to taxation services.*

(iii) Material contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors and major shareholders, either subsisting at the end of the financial year or entered into since the end of the previous financial year.

ANALYSIS OF SHAREHOLDINGS
as at 31 March 2019

SHARE CAPITAL

Total Number of Issued Shares	:	67,200,000 ordinary shares
Total Issued Share Capital	:	RM67,200,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares Held	%
Less than 100	1,802	38.76	79,386	0.12
100 - 1,000	2,115	45.49	697,562	1.04
1,001 - 10,000	571	12.28	1,979,242	2.95
10,001 - 100,000	114	2.46	3,801,014	5.65
100,001 - 3,255,019 (less than 5% of issued shares)	45	0.97	31,221,187	46.46
3,255,020 (5% of issued shares) and above	2	0.04	27,322,009	40.66
Sub-Total	**4,649**	**100.00**	**65,100,400**	**96.88**
Treasury shares			2,099,600	3.12
Total	**4,649**	**100.00**	**67,200,000**	**100.00**

DIRECTORS' SHAREHOLDINGS (as per Register of Directors' Shareholdings)

	Name	Direct No. of Shares Held	% (1)	Indirect No. of Shares Held	% (1)
1	Dato' Tan Heng Chew	4,320,833	6.64	30,639,928	47.07 (2)
2	Tan Keng Meng	100	- (3)	-	-
3	Chin Ten Hoy	-	-	-	-
4	Datuk Abdullah bin Abdul Wahab	-	-	-	-
5	Dato' Chong Kwong Chin	-	-	-	-
6	Lee Min On	-	-	-	-

Notes:
(1) Percentage is based on total number of issued shares less treasury shares.
(2) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 ("the Act") and interest of spouse by virtue of Section 59(11)(c) of the Act.
(3) Less than 0.01%.

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2019

cont'd

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

	Name	Direct No. of Shares Held	% [1]	Indirect No. of Shares Held	% [1]
1.	Tan Chong Consolidated Sdn Bhd	23,446,509	36.02	-	-
2.	Dato' Tan Heng Chew	4,320,833	6.64	27,844,509	42.77 [2]
3.	Wealthmark Holdings Sdn Bhd	4,398,000	6.76	-	-
4.	Tan Eng Soon	-	-	23,446,509	36.02 [3]

Notes:

(1) Percentage is based on total number of issued shares less treasury shares.

(2) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 ("the Act").

(3) Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.

ANALYSIS OF SHAREHOLDINGS
as at 31 March 2019
cont'd

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
1.	TAN CHONG CONSOLIDATED SDN BHD	21,004,909	32.27
2.	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)*	6,317,100	9.70
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR TAN HENG CHEW (MM1063)*	2,897,000	4.45
4.	TAN CHONG CONSOLIDATED SDN BHD	2,371,600	3.64
5.	WEALTHMARK HOLDINGS SDN BHD	2,222,100	3.41
6.	PANG SEW HA @ PHANG SUI HAR	1,738,095	2.67
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR KHOR SWEE WAH @ KOH BEE LENG (PBCL-0G0657)*	1,385,169	2.13
8.	WEALTHMARK HOLDINGS SDN BHD	1,222,000	1.88
9.	TAN BOON PUN	1,210,500	1.86
10.	KEY DEVELOPMENT SDN BERHAD	1,130,000	1.74
11.	CARTABAN NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-TEMPATAN)*	1,100,000	1.69
12.	TAN BAN LEONG	1,055,307	1.62
13.	TAN BENG KEONG	1,055,307	1.62
14.	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR WEALTHMARK HOLDINGS SDN BHD*	953,900	1.47
15.	WONG YU @ WONG WING YU	891,500	1.37
16.	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN HENG CHEW*	764,300	1.17
17.	CIMB GROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS BANK LTD (SFS)*	753,100	1.16
18.	GAN TENG SIEW REALTY SDN BERHAD	692,500	1.06
19.	TAN CHEE KEONG	682,960	1.05
20.	TAN HOE PIN	682,960	1.05
21.	LEE LANG	682,784	1.05
22.	WONG YU @ WONG WING YU	654,600	1.00
23.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK*	609,900	0.93
24.	CHINCHOO INVESTMENT SDN BERHAD	583,700	0.90
25.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN HENG CHEW (E-KLC)*	561,500	0.86
26.	TAN HOE PIN	442,405	0.68
27.	TAN CHEE KEONG	372,347	0.57
28.	KEY DEVELOPMENT SDN BERHAD	358,900	0.55
29.	ASSOCIATED ABRASIVES SDN BHD	331,600	0.51
30.	RENGO MALAY ESTATE SENDIRIAN BERHAD	330,000	0.51
	TOTAL	**55,058,043**	**84.57**

Note :
* *Percentage is based on total number of issued shares less treasury shares.*

GROUP PROPERTIES
as at 31 December 2018

Location	Description	Land Area (sq feet)	Built-up Area (sq feet)	Tenure/ Expire Date	Net Book Value (RM million)	Age of Building (years)	Date of Acquisition	Year of Revaluation
18, Jalan Segambut Pusat 51200 Kuala Lumpur	Office & vehicle store yard	17,574	18,160	Leasehold 16.6.2067	7.0	42	1.10.1977	2017
Lot 9, Jalan Delima 1/1 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop & vehicle storage yard	98,349	53,766	Freehold	20.7	26	20.12.1990	2017
43, Jalan IMJ 3 Taman Industry Malim Jaya 75050 Malacca	Office and workshop	11,087	3,700	Leasehold 18.11.2095	1.0	22	12.12.1996	2017
19, Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	1.6	26	20.5.2000	2017
Lot 1A, Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2074	45.4	44	10.9.2004	2018
Lot 29, Jalan Delima 1/3 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop & vehicle storage yard	125,871	40,808	Freehold	24.0	26	2.3.2004	2017
Lot 22, Ground Floor Wisma Sabah Jalan Tun Razak 88000 Kota Kinabalu Sabah	Office lot	-	595	Leasehold 31.12.2071	0.6	41	23.10.2002	2017
No. 3, Jalan Perusahaan Perkhidmatan Pengkalan Taman Pengkalan Maju 34700 Simpang, Taiping Perak	Office building annexed with factory	72,646	57,464	Freehold	4.9	18	5.4.2007	2017
No. 1, Jalan Metro Pudu Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	Commercial shop office	2,902	16,296	Freehold	10.5	11	6.6.2008	2018
610 Jalan Nilai 3/15 Kawasan Perindustrian Nilai 3 71800 Nilai, Negeri Sembilan	Industrial building	3,003	3,003	Freehold	0.4	19	20.7.2004	2017
18 VSIP II Street 2 Vietnam Singapore Industrial Park II (VSIP II) Binh Duong Industry Service Urban Complex How Dau Mot Town Bihn Duong Province Vietnam	Industrial land & building	135,108	9,890	Leasehold 30.11.2055	4.6	8	2.12.2009	2017
41, Jalan IMJ 3 Taman Industry Malim Jaya 75250 Malacca	Office and workshop	5,597	5,200	Leasehold 18.11.2095	0.6	22	22.12.2014	2017
No. 3, Jalan IM 3/16 Bandar Indera Mahkota 25200 Kuantan, Pahang	Office and workshop	18,406	12,870	Leasehold 11.6.2062	2.1	10	28.10.2016	-

STATEMENT ON DIRECTORS' RESPONSIBILITY

for preparing the Annual Audited Financial Statements for the financial year ended 31 December 2018

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company and their financial performance and cash flows for the financial year.

In preparing the financial statements for the year ended 31 December 2018, the Directors have:

1. adopted the appropriate accounting policies, which are consistently applied;
2. made judgments and estimates that are reasonable and prudent; and
3. ensured that the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 2016 are complied with.

The Directors have the responsibility for ensuring that the Company and the Group keep proper and adequate accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and to ensure that the financial statements comply with the requirements of the Companies Act, 2016. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of the subsidiaries, an associate and jointly controlled entities are indicated in notes 7, 8 and 9 to the financial statements, respectively.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	7,488	352
Non-controlling interests	(458)	-
Profit for the financial year	7,030	352

DIVIDENDS

Since the end of the previous financial year, the Company has paid the following dividends:

	RM'000
A final single tier dividend of 3.0 sen, in respect of the financial year ended 31 December 2017, on 22 June 2018	1,953
An interim single tier dividend of 1.0 sen, in respect of the financial year ended 31 December 2018, on 28 September 2018	651
	2,604

At the forthcoming Annual General Meeting ("AGM"), the directors proposed the payment of a final single tier dividend of 3.0 sen in respect of the financial year ended 31 December 2018 amounting to a dividend payable of approximately RM1.953 million. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2019.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the notes to the financial statements.

TREASURY SHARES

At the AGM held on 25 May 2018, the shareholders approved the Company's plan to purchase its own shares. During the financial year, the Company purchased 100 of its ordinary shares from the open market at an average price of RM2.10 per share.

The purchase transactions were financed by internally generated funds. The shares purchased are held as treasury shares.

As at 31 December 2018, the Company held 2,099,600 shares as treasury shares out of its total issued and paid-up share capital.

SUBSIDIARIES

Details of the subsidiaries are set out in note 7 to the financial statements.

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Dato' Tan Heng Chew
Tan Keng Meng
Dato' Chong Kwong Chin
Datuk Abdullah bin Abdul Wahab
Chin Ten Hoy
Lee Min On

DIRECTORS' REPORT
cont'd

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of directors of the subsidiaries (excluding directors who are also directors of the Company) in office during the period commencing from the beginning of the financial year to the date of this reports are as follows:

Ang Lay Bee
Ang Yue Lai
(Resigned on 18 March 2019)
Chaloraju A/L Subramaniam
Chang Pie Hoon
(Resigned on 1 January 2019)
Cheah Kwan Cheong
Chin Teck Fei
(Resigned on 4 June 2018)
Chin Yen Song
Christopher Tan Kok Leong
Dato' Cheah Sam Kip
Dato' Dr. Lim Weng Khuan
Dato' Hardev Singh A/L Pritam Singh
Datuk Saharudin bin Muhamad Toha
Goh Kar Hua
Ho Wai Ming
Hout Kimmeng
(Appointed on 20 December 2018)
Kim Sang
(Resigned on 20 December 2018)
Kong Hon Khien
Lee Kim Hay @ Tong Ah See
Lee Kin Hong
Lee King Soon
Nicholas Tan Chye Seng
Ng Kiat Seng
Ngai Kah Seng
(Resigned on 1 June 2018)
Ong Hua Ann
Phua Khim Hiang
(Appointed on 5 April 2018)
Sai Chang Choon
Tan Soon Huat (Alternate Director to Nicholas Tan Chye Seng)
(Appointed on 24 September 2018)
Tan Tze Jen
Tse Pei Chen
(Appointed on 14 September 2018)
Wong King Yoon
Yap Kiam Beng
Yeap Ling Weng
Yong Chau Chin

DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of the financial year, had interests in shares as follows:

	Number of ordinary shares			
	At 1.1.2018	**Acquisition**	**Disposal**	**At 31.12.2018**
The Company				
Dato' Tan Heng Chew				
- direct interest	4,278,633	42,200	-	4,320,833
- indirect interest ^	27,844,509	-	-	27,844,509
- indirect interest #	2,795,419	-	-	2,795,419
Tan Keng Meng				
- direct interest	100	-	-	100

^ *Indirect interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016 (the "Act").*
\# *Include disclosure of interest held by spouse pursuant to Section 59(11)(c) of the Act.*

DIRECTORS' INTERESTS IN SHARES (continued)

By virtue of his interests in shares in the Company, Dato' Tan Heng Chew is deemed to have interests in shares in all the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, none of the directors in office at the end of the financial year held any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as shown in note 35 to the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen from transactions disclosed in note 34(c) to the financial statements.

The directors of the Company, subsidiaries and jointly controlled entities were insured against certain liability under a Directors' and Officers' liability insurance policy maintained on a group basis for up to a maximum of RM20,000,000 in aggregate. During the financial year, the total amount of insurance premium paid for the directors of the Company, subsidiaries and jointly controlled entities was RM26,600.

Other benefits and remuneration of the directors are set out in note 35 to the financial statements.

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

(i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT
cont'd

OTHER INFORMATION (continued)

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company or its subsidiaries has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiaries to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

Auditors' remuneration is set out in note 27 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN KENG MENG
Director

CHIN TEN HOY
Director

Kuala Lumpur

Date: 4 April 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Warisan TC Holdings Berhad, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 65 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Inventories Valuation

The risk:

As at 31 December 2018, the carrying amount of the Group's inventories is RM168,885,000.

The inventories include machineries, equipment, motor vehicles held for trade and manufactured apparels. These are subject to change in consumer demands and trends, hence, increasing the level of judgement involved in estimating the inventory write downs. Judgement is required to assess the appropriate level of write downs for items which may ultimately be obsolete or sold below cost as a result of a reduction in consumer demand. Such judgements include management's expectations for future sales and management's plans to abandon any product lines.

Refer to the significant accounting judgements and estimates and disclosure of inventories in notes 4(vi) and 14 to the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD
(Incorporated in Malaysia)
cont'd

Our response:

We have focused on the valuation of year-end inventories, including challenging management's judgements regarding write downs. We have assessed the write down of inventories by comparing the historical inventories performance and the amount recognised by the Group. Our procedures included assessing the adequacy of, and movements in, inventory write downs by testing sample of items written down to determine whether there was an appropriate basis of valuation. We have also attended the Group's inventories count procedures to identify inventories that are slow-moving, damaged and obsolete.

(b) Loss Allowance of Trade Receivables

The risk:

As at 31 December 2018, the carrying amount of the Group's trade receivables is RM145,714,000.

Refer to the significant accounting judgements and estimates and disclosure of trade receivables in notes 4(vii), 12 and 15 to the financial statements.

Our response:

We have obtained understanding from management on the basis (methodology and assumption used) in determining the expected credit losses ("ECL") rates. We have assessed the reasonableness of management's basis in trade receivables written off. We have assessed individually credit-impaired trade receivables. We have assessed the reasonableness of management's basis in determining historical rates, forward looking factors adjustment and the ECL rates. We have assessed any adjusting event. We have also assessed remaining credit exposure, taking into consideration of collections subsequent to year-end.

(c) Valuation of Owner-Occupied Properties and Investment Property

The risk:

As at 31 December 2018, the carrying amounts of the Group's owner-occupied properties and investment property are RM78,027,000 and RM45,400,000, respectively.

The Group adopts fair value model for its owner-occupied properties and investment property. The fair value of the properties was based on valuations or update on previous valuations carried out by independent professional valuers, which was determined by reference to the selling prices of recent transactions or asking prices of similar properties of nearby location and where necessary, adjusting for tenure, locations, development concept and size. Determination of fair value involves significant judgment in estimating the inputs used that are other than quoted prices.

Refer to the significant accounting judgements and estimates and disclosures of valuation of owner-occupied properties and investment property in notes 4(ii), 5 and 6 to the financial statements.

Our response:

We have considered and assessed the independent professional valuers' competence, reputation or relevant experience, objectivity and independence. We discussed and obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the properties. We have assessed the reasonableness of key assumptions and inputs used, including, where applicable, selling prices of recent transactions, asking prices of similar properties of nearby location, any adjustments for tenure, location, development concept and size. We have performed site visits on major properties.

We do not have any key audit matters in connection with the audit of the separate financial statements of the Company to be communicated in this report.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD
(Incorporated in Malaysia)
cont'd

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD
(Incorporated in Malaysia)
cont'd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 7 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

CHONG FAH YOW
03004/07/2020 J
Chartered Accountant

Kuala Lumpur

Date: 4 April 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018

	Note	31.12.2018 RM'000	31.12.2017 RM'000 (Restated)	1.1.2017 RM'000 (Restated)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	277,422	304,188	308,417
Investment property	6	45,400	45,400	45,800
Investment in an associate	8	1,069	979	148
Investments in jointly controlled entities	9	37,348	35,993	34,007
Intangible assets	10	12,520	12,374	11,584
Deferred tax asset	11	2,575	2,664	2,522
Finance lease receivables	12	4,343	1,728	3,793
Other investments	13	6	10	10
Trade and other receivables	15	-	698	561
		380,683	404,034	406,842
CURRENT ASSETS				
Inventories	14	168,885	125,002	132,140
Trade and other receivables	15	170,237	157,775	158,218
Derivative financial asset	16	38	10	204
Current tax asset		8,510	10,538	13,801
Short term deposits	17	4,893	7,266	13,945
Fixed deposits	18	24,390	42,989	29,203
Cash and bank balances		46,396	43,797	40,908
		423,349	387,377	388,419
TOTAL ASSETS		804,032	791,411	795,261

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2018

cont'd

	Note	31.12.2018 RM'000	31.12.2017 RM'000 (Restated)	1.1.2017 RM'000 (Restated)
EQUITY AND LIABILITIES				
EQUITY				
Share capital	19	67,815	67,815	67,200
Share premium	20	-	-	615
Treasury shares	21	(4,213)	(4,213)	(4,210)
Merger reserve	20	(41,614)	(41,614)	(41,614)
Translation reserve	20	3,392	3,266	5,053
Hedging reserve	20	(100)	(387)	(38)
Revaluation reserve	20	54,496	54,888	45,464
Retained earnings		255,853	249,871	246,940
Total equity attributable to owners of the Company		335,629	329,626	319,410
Non-controlling interests		11,269	(1,380)	(1,021)
TOTAL EQUITY		346,898	328,246	318,389
NON-CURRENT LIABILITIES				
Loans and borrowings	22	15,540	47,617	66,850
Retirement benefit obligations	23	6,324	6,534	5,717
Deferred tax liability	11	12,064	17,469	18,900
		33,928	71,620	91,467
CURRENT LIABILITIES				
Contract liabilities	24	7,463	7,571	6,283
Trade and other payables	25	156,070	135,039	138,535
Loans and borrowings	22	257,100	246,421	240,107
Current tax liability		2,404	1,995	226
Derivative financial liability	16	169	519	254
		423,206	391,545	385,405
TOTAL LIABILITIES		457,134	463,165	476,872
TOTAL EQUITY AND LIABILITIES		804,032	791,411	795,261

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM'000	2017 RM'000 (Restated)
Revenue	26	496,950	490,622
Cost of sales		(360,244)	(356,524)
Gross profit		136,706	134,098
Other income		3,578	4,198
Selling and distribution expenses		(49,665)	(47,767)
Administrative and general expenses		(73,145)	(71,307)
Profit from operations	27	17,474	19,222
Finance income		1,931	1,280
Finance costs	28	(13,112)	(14,305)
Net finance costs		(11,181)	(13,025)
Fair value loss on investment property		-	(400)
Share of result of equity accounted associate, net of tax		(384)	(183)
Share of results of equity accounted jointly controlled entities, net of tax	9	3,675	2,768
Profit before tax		9,584	8,382
Tax expense	29	(2,554)	(4,001)
Profit for the financial year		7,030	4,381
Other comprehensive income/(loss), net of tax:			
Items that are or may be reclassified subsequently to profit or loss:			
Change in fair value of cash flow hedge	31	287	(349)
Exchange differences on translation of foreign operations	31	126	(1,787)
		413	(2,136)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

cont'd

	Note	2018 RM'000	2017 RM'000 (Restated)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligations	31	725	(165)
Revaluation of property, plant and equipment	31	-	9,738
Share of other comprehensive income of jointly controlled entities	31	(19)	(7)
		706	9,566
Other comprehensive income for the financial year		1,119	7,430
Total comprehensive income for the financial year		8,149	11,811
Profit for the financial year attributable to:			
Owners of the Company		7,488	4,742
Non-controlling interests		(458)	(361)
Profit for the financial year		7,030	4,381
Basic earnings per share (sen)	30	11.50	7.28
Total comprehensive income for the financial year attributable to:			
Owners of the Company		8,607	12,172
Non-controlling interests		(458)	(361)
Total comprehensive income for the financial year		8,149	11,811

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		Attributable to Owners of the Company										
		Non-distributable							*Distributable*			
		Share capital	**Share premium**	**Treasury shares**	**Merger reserve**	**Translation reserve**	**Hedging reserve**	**Revaluation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2017		67,200	615	(4,210)	(41,614)	5,053	(38)	45,464	247,465	319,935	(1,021)	318,914
Effect of changes in accounting policy	43	-	-	-	-	-	-	-	(525)	(525)	-	(525)
At 1 January 2017 (restated)		67,200	615	(4,210)	(41,614)	5,053	(38)	45,464	246,940	319,410	(1,021)	318,389
Change in fair value of cash flow hedge		-	-	-	-	-	(349)	-	-	(349)	-	(349)
Exchange differences on translation of foreign operations		-	-	-	-	(1,787)	-	-	-	(1,787)	-	(1,787)
Remeasurement of retirement benefit obligations		-	-	-	-	-	-	-	(165)	(165)	-	(165)
Revaluation of property, plant and equipment		-	-	-	-	-	-	9,738	-	9,738	-	9,738
Share of other comprehensive income of jointly controlled entities		-	-	-	-	-	-	-	(7)	(7)	-	(7)
Other comprehensive income for the financial year		-	-	-	-	(1,787)	(349)	9,738	(172)	7,430	-	7,430
Profit for the financial year		-	-	-	-	-	-	-	4,742	4,742	(361)	4,381
Total comprehensive income for the financial year		-	-	-	-	(1,787)	(349)	9,738	4,570	12,172	(361)	11,811
Adjustment pursuant to the Companies Act 2016		615	(615)	-	-	-	-	-	-	-	-	-
Investments by minority shareholders		-	-	-	-	-	-	-	-	-	2	2
Purchase of treasury shares	21	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Dividends to owners of the Company	32	-	-	-	-	-	-	-	(1,953)	(1,953)	-	(1,953)
Portion of revaluation reserve transferred through depreciation		-	-	-	-	-	-	(314)	314	-	-	-
At 31 December 2017		67,815	-	(4,213)	(41,614)	3,266	(387)	54,888	249,871	329,626	(1,380)	328,246

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

		Attributable to Owners of the Company										
		Non-distributable							Distributable			
	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Hedging reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2018 (restated)	43	67,815	-	(4,213)	(41,614)	3,266	(387)	54,888	249,871	329,626	(1,380)	328,246
Change in fair value of cash flow hedge		-	-	-	-	-	287	-	-	287	-	287
Exchange differences on translation of foreign operations		-	-	-	-	126	-	-	-	126	-	126
Remeasurement of retirement benefit obligations		-	-	-	-	-	-	-	725	725	-	725
Share of other comprehensive income of jointly controlled entities		-	-	-	-	-	-	-	(19)	(19)	-	(19)
Other comprehensive income for the financial year		-	-	-	-	126	287	-	706	1,119	-	1,119
Profit for the financial year		-	-	-	-	-	-	-	7,488	7,488	(458)	7,030
Total comprehensive income for the financial year		-	-	-	-	126	287	-	8,194	8,607	(458)	8,149
Investments by minority shareholders		-	-	-	-	-	-	-	-	-	13,107	13,107
Dividends to owners of the Company	32	-	-	-	-	-	-	-	(2,604)	(2,604)	-	(2,604)
Portion of revaluation reserve transferred through depreciation		-	-	-	-	-	-	(392)	392	-	-	-
At 31 December 2018		67,815	-	(4,213)	(41,614)	3,392	(100)	54,496	255,853	335,629	11,269	346,898

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM'000	2017 RM'000 (Restated)
OPERATING ACTIVITIES		
Profit before tax	9,584	8,382
Adjustments for:		
Allowance for doubtful debts, net of reversals	683	(600)
Amortisation of intangible assets	810	543
Bad debts written off	89	73
Depreciation of property, plant and equipment	55,142	58,999
Fair value loss on investment property	-	400
Gain on disposal of assets held for rental	(5,510)	(5,707)
Gain on disposal of property, plant and equipment	(147)	(313)
Gain on disposal of other investments	(1)	-
Impairment loss on property, plant and equipment	9	61
Interest expense	13,112	14,305
Interest income	(1,931)	(1,280)
Inventories written down	1,924	2,300
Property, plant and equipment written off	338	581
Retirement benefits expense	992	893
Share of result of equity accounted associate	384	183
Share of results of equity accounted jointly controlled entities	(3,675)	(2,768)
Net unrealised gain on foreign exchange	(245)	(370)
Operating profit before working capital changes	71,558	75,682
Changes in inventories	(25,901)	13,239
Changes in receivables	(15,357)	2,898
Changes in payables	20,923	(2,208)
Cash generated from operations	51,223	89,611
Interest received	1,318	867
Proceeds from disposal of assets held for rental	33,244	21,948
Retirement benefits paid	(248)	(295)
Tax paid, net of refunds	(5,747)	(1,583)
Net cash generated from operating activities	79,790	110,548

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

	2018 RM'000	2017 RM'000 (Restated)
INVESTING ACTIVITIES		
Acquisition of additional equity interest in a subsidiary company	(382)	-
Acquisition of intangible assets	(711)	(1,333)
Acquisition of property, plant and equipment	(67,291)	(31,061)
Dividend received from jointly controlled entities	2,310	780
Interest received	613	413
Investments in non-controlling interests	(366)	(1,014)
Proceeds from disposal of other investments	5	-
Proceeds from disposal of property, plant and equipment	922	658
Subscription of shares in a subsidiary by non-controlling interests	13,244	-
Withdrawal of fixed deposits	4,893	2,216
Withdrawal of short term deposits	1,217	1,110
Net cash used in investing activities	(45,546)	(28,231)
FINANCING ACTIVITIES		
Dividends paid	(2,604)	(1,953)
Drawdown of bankers' acceptances	138,496	89,905
Drawdown of revolving credits	1,820,000	1,804,000
Interest paid	(13,112)	(14,305)
Repayment of bankers' acceptances	(118,790)	(98,003)
Repayment of bank term loans	(12,370)	(16,395)
Repayment of hire purchases	(37,137)	(29,233)
Repayment of revolving credits	(1,821,100)	(1,801,000)
Treasury shares acquired	-	(3)
Net cash used in financing activities	(46,617)	(66,987)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(12,373)	15,330
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	65,698	51,318
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS	451	(950)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	53,776	65,698
Cash and cash equivalents comprise the followings:		
Short term deposits	4,893	7,266
Fixed deposits	24,390	42,989
Cash and bank balances	46,396	43,797
Bank overdrafts	(931)	(1,272)
	74,748	92,780
Less:		
Surplus funds placed in short term deposits	(2,373)	(7,266)
Surplus funds placed in fixed deposits	(18,599)	(19,816)
	53,776	65,698

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018

	Note	2018 RM'000	2017 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	5	6
Investments in subsidiaries	7	153,119	155,857
Investments in jointly controlled entities	9	24,568	24,568
Deferred tax asset	11	-	209
		177,692	180,640
CURRENT ASSETS			
Trade and other receivables	15	3,661	3,870
Short term deposits	17	199	192
Fixed deposits	18	156	151
Cash and bank balances		5,999	5,392
		10,015	9,605
TOTAL ASSETS		187,707	190,245
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19	67,200	67,200
Treasury shares	21	(4,213)	(4,213)
Retained earnings		115,715	117,194
TOTAL EQUITY		178,702	180,181
NON-CURRENT LIABILITIES			
Retirement benefit obligations	23	-	926
Trade and other payables	25	5,189	5,189
Deferred tax liability	11	14	-
		5,203	6,115
CURRENT LIABILITIES			
Trade and other payables	25	3,802	3,945
Current tax liability		-	4
		3,802	3,949
TOTAL LIABILITIES		9,005	10,064
TOTAL EQUITY AND LIABILITIES		187,707	190,245

The accompanying notes form an integral part of the financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM'000	2017 RM'000
Revenue	26	7,327	11,569
Other income		12	-
Administrative and general expenses		(6,642)	(8,588)
Profit from operations	27	697	2,981
Finance income		118	79
Finance costs	28	(258)	(281)
Net finance costs		(140)	(202)
Profit before tax		557	2,779
Tax (expense)/income	29	(205)	116
Profit for the financial year		352	2,895
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligations	31	773	6
Total comprehensive income for the financial year		1,125	2,901

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		← Non-distributable	→	Distributable	
		Share capital	Treasury shares	Retained earnings	Total equity
	Note	RM'000	RM'000	RM'000	RM'000
At 1 January 2017		67,200	(4,210)	116,246	179,236
Other comprehensive income for the financial year		-	-	6	6
Profit for the financial year		-	-	2,895	2,895
Total comprehensive income for the financial year		-	-	2,901	2,901
Purchase of treasury shares	21	-	(3)	-	(3)
Dividends to owners of the Company	32	-	-	(1,953)	(1,953)
At 31 December 2017		67,200	(4,213)	117,194	180,181
At 1 January 2018		67,200	(4,213)	117,194	180,181
Other comprehensive income for the financial year		-	-	773	773
Profit for the financial year		-	-	352	352
Total comprehensive income for the financial year		-	-	1,125	1,125
Dividends to owners of the Company	32	-	-	(2,604)	(2,604)
At 31 December 2018		67,200	(4,213)	115,715	178,702

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM'000	2017 RM'000
OPERATING ACTIVITIES		
Profit before tax	557	2,779
Adjustments for:		
Depreciation of property, plant and equipment	4	15
Impairment loss on investment in subsidiaries	3,305	5,677
Interest expense	258	281
Interest income	(118)	(79)
Retirement benefits expense	91	86
Operating profit before working capital changes	4,097	8,759
Changes in receivables	209	4,339
Changes in payables	(143)	(4,366)
Net cash generated from operating activities	4,163	8,732
Tax paid	(230)	-
Net cash generated from operations activities	3,933	8,732
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3)	-
Interest received	118	79
Placement of fixed deposits	(5)	(4)
Placement of short term deposits	(7)	(6)
Subscription of additional shares in subsidiaries	(567)	(5,900)
Net cash used in investing activities	(464)	(5,831)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

	2018 RM'000	2017 RM'000
FINANCING ACTIVITIES		
Dividends paid	(2,604)	(1,953)
Interest paid	(258)	(160)
Loans from subsidiaries	-	2,500
Repayments made to subsidiaries	-	(2,500)
Treasury shares acquired	-	(3)
Net cash used in financing activities	(2,862)	(2,116)
NET CHANGES IN CASH AND BANK BALANCES	607	785
CASH AND BANK BALANCES BROUGHT FORWARD	5,392	4,607
CASH AND BANK BALANCES CARRIED FORWARD	5,999	5,392

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Warisan TC Holdings Berhad (the "Company") is a public company limited by way of shares and is incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 1.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2018 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interests in an associate and jointly controlled entities.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries, an associate and jointly controlled entities are disclosed in notes 7, 8 and 9. There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the significant accounting policies which are set out in note 3.

Application of New and/or Revised Standards, Amendments and/or Issues Committee ("IC") Interpretations

In current financial year, the Group and the Company have applied a number of new and/or revised standards, amendments and/or IC interpretations that became effective mandatorily for the financial period beginning on or after 1 January 2018. The adoption of the new and/or revised standards, amendments and/or IC interpretations did not have significant impact on the disclosures or on the amounts reported in these financial statements except for note 43 which set out the impact of the application of MFRS 9 and MFRS 15 on financial position and financial performance of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

2. BASIS OF PREPARATION (continued)

New Standards, Amendments and/or IC Interpretations Issued that are not yet Effective

The Group and the Company have not applied the following new and/or revised standards, IC interpretations and/or amendments that have been issued by the MASB but are not yet effective:

		Effective Date
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
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

Except as otherwise indicated below, the adoption of the above new standards, amendments and/or IC interpretation is not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

MFRS 16, Leases

Currently under MFRS 117 *Leases*, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group has assessed the effects of adopting MFRS 16 and the estimated impact is set out below:

(a) Movements in the following balances on 1 January 2019:

   (i) Increase in deferred tax asset by approximately RM0.052 million; and
   (ii) Decrease in retained earnings by approximately RM0.132 million.

(b) Right-of-use assets of approximately RM5.341 million and lease liabilities of approximately RM5.525 million will be presented in the statement of financial position as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the entities controlled by the Company made up to the end of the financial year.

The Company controls an investee if and only if the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has no majority voting rights of an investee, it considers that it has power over the investee if the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

Non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes of Interests in Subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interests. Any difference arising from equity transactions is recognised directly in equity.

When the Company loses control of a subsidiary:

- It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.
- It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transactions, events or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- It recognises any investment retained in the former subsidiary at its fair value when control is lost. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(b) Business Combination

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Business Combination (continued)

On the date of acquisition, goodwill is measured at the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interests in the investee; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination is achieved in stages.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

Measurement period adjustments are adjustments that arise from additional information obtained during twelve months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.
- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

(c) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is recognised to write off the depreciable amount of property, plant and equipment on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

Freehold land is not depreciated. The estimated useful lives are as follows:

Cars for hire	4 to 5 years
Coaches, motor vehicles for hire and other motor vehicles	4 to 10 years
Furniture, fixtures, fittings and office equipment	3 to 7 years
Leasehold land and buildings	50 to 55 years
Machinery and equipment for hire	3 to 5 years
Plant, machinery and equipment	2 to 7 years
Renovation	3 to 4 years

The depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment Property

Investment property is measured initially at cost, including transaction costs. Subsequently, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise.

Investment property is measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised to write off the depreciable amount of investment property on a straight-line basis over its estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost. The annual depreciation rates are as follows:

Buildings	2%
Leasehold land	Over lease period

The depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate, at each reporting date.

(e) Investment in Associates and Joint Ventures

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the sharing of control of an arrangement contractually, which exists only when decisions about the relevant activities require unanimous consent of the parties.

Investments in associates or joint ventures are accounted for in the financial statements using the equity method. The results and net assets of associates or joint ventures are accounted for using uniform accounting policies for like transactions and other events in similar circumstances. An investment is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or joint ventures. Unrealised gains or losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures.

On acquisition of an investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, and goodwill is not tested for impairment separately. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (includes long-term interests that form part of the Group's net investment in the associate or joint venture, in substance), equity accounting is discontinued; unless the Group has legal or constructive obligations for such losses.

At each reporting date, the Group determines whether there is any objective evidence that the investment in an associate or a joint venture is impaired. If there is such indication, management recognises impairment loss in profit or loss as the difference between the recoverable amount of the associate or joint venture and its carrying value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment in Associates and Joint Ventures (continued)

When changes in the Group's interest in an associate that do not result in a loss of significant influence, the retained interest in an associate is not remeasured. Any gain or loss arising from the changes in the Group's interest in an associate is recognised in profit or loss.

The Group discontinues the use of equity accounting from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value and the fair value is regarded as its fair value on initial recognition. Any gain or loss is recognised in profit or loss. In addition, if a gain or loss previously recognised in other comprehensive income by the associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

(f) Investments in Subsidiaries, an Associate and Joint Ventures (separate financial statements)

In the Company's separate financial statements, investments in subsidiaries, an associate and joint ventures are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed of is recognised in profit or loss.

(g) Intangible Assets

Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Intangible Assets Acquired Separately

Intangible assets with finite useful lives, which are acquired separately, are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the estimated economic useful lives. The amortisation period and the amortisation method for an intangible asset are reviewed at each reporting date.

Internally Generated Intangible Assets - Research and Development

Research expenditure is recognised as an expense when it is incurred.

Costs incurred during the development phase are capitalised as assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure during development phases can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Intangible Assets (continued)

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The development expenditure is amortised on a straight-line basis over its useful life from the point at which the asset is ready for sale or use. The amortisation period and the amortisation method are reviewed at each reporting date.

Development expenditures that do not meet these criteria are recognised as an expense when incurred. Development expenditures initially recognised as an expense are not recognised as an asset in the subsequent periods.

(h) Income Tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current Tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted for using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantially enacted at the reporting date that are expected to apply to the period when the asset is realised or when the liability is settled.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

(i) As lessee

Finance lease, which transfers to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Finance leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

(ii) As lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees.

Amounts due from lessees under finance leases are recognised as receivables as the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the Group's net investment outstanding in respect of the leases.

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, time deposits and other short term, highly liquid deposits that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits pledged to secure banking facilities and fixed deposits placed for tenure exceeding 12 months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent Measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

The Group and the Company do not have financial assets at FVTOCI.

Financial Assets at Amortised Cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

The effective interest method is a method of calculating the amortised cost of a debt instrument by allocating interest income over the relevant periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Equity Instruments Designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income ("OCI") and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated as at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Impairment of Financial Assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets is estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Impairment of Financial Assets (continued)

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within twelve months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of Financial Assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset are expired; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost (using the effective interest method).

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- it is designated as at FVTPL.

Financial liabilities are classified as held for trading if they are held for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Financial Liabilities at FVTPL (continued)

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial Liabilities at Amortised Cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability by allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the amortised cost of a financial liability.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity Instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured at fair value. The resulting gain or loss is recognised in profit or loss, unless the derivative is designated and effective as a hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Embedded Derivatives

A derivative embedded in a hybrid contract that contains financial asset host is not separated. The entire hybrid contract is measured subsequently as either at amortised cost or at FVTPL, as appropriate.

A derivative embedded in a hybrid contract that contains a financial liability or non-financial asset host, is separated from the host and it is treated as a separate derivative, if (i) it meets the definition of a derivative; (ii) its risks and characteristics are not closely related to those of the host contract; and (iii) the host contract is not measured at FVTPL. An embedded derivative is measured at FVTPL. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

(m) Impairment of Tangible and Intangible Assets

Goodwill

Goodwill is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units that is expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of a cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use. The total impairment loss is allocated first to reduce the carrying amount of the allocated goodwill and then to the other assets in that cash-generating unit proportionately on the basis of the carrying amount of each asset in that cash-generating unit. Impairment loss recognised for goodwill is not reversed in subsequent periods.

Tangible Assets and Intangible Assets with Finite Useful Lives

Tangible and intangible assets are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was recognised in other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Non-controlling Interests

Non-controlling interests at the reporting date, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(o) Borrowing Costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred; and ceases when the asset is completed or during extended periods when active development is interrupted.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(p) Hire purchases

Hire purchase assets are capitalised at the inception of the hire purchase at the purchase price of the assets. Any initial direct costs are also added to the amount capitalised. Hire purchase payments are apportioned between the finance charges and reduction of the hire purchase liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Hire purchase assets are depreciated over the estimated useful lives of the assets.

(q) Employee Benefits

(i) Short-term and Other Long-term Employee Benefits

Wages, salaries, paid leave, bonuses and non-monetary benefits are recognised as an expense (at the undiscounted amount) in the period in which the associated services are rendered by the employees.

Long-term employee benefits are measured at the present value of the estimated future cash outflows in respect of services rendered by the employees up to the reporting date.

(ii) Post-employment benefits

(a) Defined contribution plan

The Company and its Malaysian subsidiaries make monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan. Foreign subsidiaries make contributions to their respective statutory pension plans. The obligation of the Group is limited to the amount that it agrees to contribute to those defined contribution plans. The contributions to those plans are recognised as an expense when the employees have rendered service entitling them to the contribution.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee Benefits (continued)

(ii) Post-employment benefits (continued)

(b) Defined benefit plan

The Group's and the Company's net obligations in respect of their defined benefit plans are calculated by estimating the discounted present value of future benefit that employees have earned in return for their services in the current and prior periods.

The discount rate is the market yield at the reporting date on high quality corporate bonds. The calculation is performed by an independent firm of actuaries using the projected unit credit method once in 3 years in advance.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, and are recognised immediately in other comprehensive income. The Group and the Company determine the net interest expense or income on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to then net defined benefit liability taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Company recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(r) Provisions

Provisions are made when the Group or the Company has a present legal or constructive obligation as a result of pasts events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting date, taking into account the risks and uncertainties surrounding the obligations.

(s) Revenue

Revenue from a contract with a customer is recognised when control of the goods or services is transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes, which are not economic benefits that flow to the entity.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Revenue (continued)

Sales of Goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

Rendering of Services

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

Contract Balances Arising from Revenue Recognition

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Other Revenue is Recognised as follows:

- Car rental income is recognised on a time proportion basis over the lease term.

- Income from finance lease transactions is recognised based on the sum-of-digits method. Where an account becomes non-performing, interest income is suspended until it is realised on a cash basis. An account is classified as non-performing where repayments are in arrears for more than six months.

- Interest income is recognised using the effective interest method.

- Rental income from investment property is recognised in profit or loss on a straight-line basis over the specific tenure of the respective leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

- Dividend income is recognised when the right to receive payment is established.

- Insurance premium income is recognised on the date of the assumption of risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Foreign Currencies

Transactions and Balances in Foreign Currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rate on the date when the fair values were determined.

Exchange differences are recognised in profit or loss, except for:

- Exchange differences on borrowings denominated in foreign currency relating to an asset under construction, which are included in the cost of that asset when the exchange difference is regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Translation of Foreign Operations

For consolidation purposes, all assets and liabilities of foreign operations (including goodwill and fair value adjustments arising from the acquisition of a foreign operation) are translated at the prevailing exchange rate on the reporting date. Income and expense are translated at average exchange rate for the period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in other comprehensive income; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation is reclassified to profit or loss.

In a partial disposal that does not result in losing of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re-attributed to non-controlling interests and is not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

(u) Segmental Reporting

Segmental reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each reporting segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Segmental Reporting (continued)

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the board of directors. Segment total asset is used to measure the return on assets of each segment.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and tangible assets other than goodwill.

The Group does not use geographical segment as its main operations are in Malaysia.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors (including expectations for future events that are believed to be reasonable under the circumstances), actual results may ultimately differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical Judgement

There are no significant areas of critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements.

Key Estimation and Assumption

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates these useful lives to be 50 to 55 years for buildings and within 2 to 10 years for other property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Key Estimation and Assumption (continued)

(i) Depreciation of property, plant and equipment (continued)

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in note 5.

(ii) Estimation of the fair value of land and buildings

The Group determines the fair values of its land and buildings based on a valuation carried out by an independent firm of professional valuers on an open market value basis.

The fair values of land and buildings under the fair value method are disclosed in notes 5 and 6.

(iii) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated.

Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in note 10.

(iv) Impairment of other non-financial assets

The Group and the Company determine whether other non-financial assets are impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to factors such as market performance, economic situation, etc.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgment has been used to determine the discount rate for the cash flows and the future growth of the business.

(v) Deferred tax assets

Deferred tax asset is recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Key Estimation and Assumption (continued)

(vi) Inventories write down

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less the estimated costs necessary to make the sale.

Inventories are reviewed on a regular basis and the Group writes down inventories based primarily on historical trends and management's estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional write down for slow moving inventories may be required.

The carrying amount of the Group's inventories is disclosed in note 14.

(vii) Determining the loss allowance for trade receivables

Management assesses the ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the Group and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 *Financial Instruments* in assessing the impairment of trade receivables.

In determining the ECL, management uses its historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables is mainly based upon the historical credit loss experience.

The carrying amounts of the Group's and of the Company's trade receivables are disclosed in note 15.

(viii) Defined benefit plan

The Group and the Company determine the present value of the defined benefit obligation and the fair value of any plan asset based on calculations provided by independent actuaries triennially using the relevant assumptions as disclosed in note 23. Where expectations differ from the original estimate, the differences will impact the carrying amount of the post-employment benefits obligations.

(ix) Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions during the ordinary course of business and computations for which the ultimate tax determination is uncertain.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT

	at valuation			at cost						
Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Machinery and equipment for hire RM'000	Furniture, fixtures, fittings and office equipment RM'000	Renovation RM'000	Coaches, motor vehicles for hire and other motor vehicles RM'000	Cars for hire RM'000	Total RM'000
Cost/Valuation										
At 1 January 2017	38,240	9,300	22,593	3,483	58,510	23,321	7,330	44,672	246,748	454,197
Additions	-	1,281	896	119	13,028	2,008	1,117	10,191	41,286	69,926
Disposals	-	-	-	-	(9,679)	(200)	-	(4,681)	(37,051)	(51,611)
Write-offs	-	-	-	-	-	(293)	-	(166)	(1,124)	(1,583)
Reclassification	-	258	(258)	-	-	-	-	-	-	-
Transfer to inventories	-	-	-	-	-	-	-	(1,647)	(13,726)	(15,373)
Revaluation	7,115	1,818	2,014	-	-	-	-	-	-	10,947
Less: Elimination of accumulated depreciation	-	(508)	(1,711)	-	-	-	-	-	-	(2,219)
Effects of movements in exchange rates	-	(358)	(84)	-	-	(5)	-	(22)	-	(469)
At 31 December 2017	45,355	11,791	23,450	3,602	61,859	24,831	8,447	48,347	236,133	463,815
Cost/Valuation										
At 1 January 2018	45,355	11,791	23,450	3,602	61,859	24,831	8,447	48,347	236,133	463,815
Additions	-	-	-	364	21,641	3,002	1,039	35,704	15,385	77,135
Disposals	-	-	-	-	(10,489)	(243)	-	(8,204)	(60,626)	(79,562)
Write-offs	-	-	-	-	-	(189)	-	(246)	(590)	(1,025)
Transfer to inventories	-	-	-	-	-	-	-	(24,490)	(9,812)	(34,302)
Effects of movements in exchange rates	-	(2)	(1)	-	-	3	-	3	-	3
At 31 December 2018	45,355	11,789	23,449	3,966	73,011	27,404	9,486	51,114	180,490	426,064

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	at valuation			at cost						
Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Machinery and equipment for hire RM'000	Furniture, fixtures, fittings and office equipment RM'000	Renovation RM'000	Coaches, motor vehicles for hire and other motor vehicles RM'000	Cars for hire RM'000	Total RM'000
Accumulated depreciation										
At 1 January 2017	-	325	1,830	3,102	23,793	18,897	3,676	17,902	75,469	144,994
Charge for the financial year	-	217	633	262	10,533	1,916	1,127	5,544	38,767	58,999
Disposals	-	-	-	-	(6,813)	(178)	-	(3,317)	(24,717)	(35,025)
Write-offs	-	-	-	-	-	(282)	-	(93)	(627)	(1,002)
Reclassification	-	10	(10)	-	-	-	-	-	-	-
Transfer to inventories	-	-	-	-	-	-	-	(698)	(6,269)	(6,967)
Revaluation	-	(508)	(1,711)	-	-	-	-	-	-	(2,219)
At 31 December 2017/ 1 January 2018	-	44	742	3,364	27,513	20,353	4,803	19,338	82,623	158,780
Charge for the financial year	-	250	691	134	12,100	2,106	1,186	13,403	25,272	55,142
Disposals	-	-	-	-	(8,625)	(161)	-	(4,999)	(37,268)	(51,053)
Write-offs	-	-	-	-	-	(188)	-	(155)	(344)	(687)
Reclassification	-	-	-	-	-	107	(107)	-	-	-
Transfer to inventories	-	-	-	-	-	-	-	(8,327)	(6,069)	(14,396)
At 31 December 2018	-	294	1,433	3,498	30,988	22,217	5,882	19,260	64,214	147,786
Impairment loss										
At 1 January 2017	-	-	786	-	-	-	-	-	-	786
Charge for the financial year	-	-	53	-	-	7	1	-	-	61
At 31 December 2017/ 1 January 2018	-	-	839	-	-	7	1	-	-	847
Charge for the financial year	-	-	-	-	-	-	-	9	-	9
At 31 December 2018	-	-	839	-	-	7	1	9	-	856
Net carrying amount										
At 31 December 2017	45,355	11,747	21,869	238	34,346	4,471	3,643	29,009	153,510	304,188
At 31 December 2018	45,355	11,495	21,177	468	42,023	5,180	3,603	31,845	116,276	277,422

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Net carrying amount	
	2018	**2017**
	RM'000	**RM'000**
The Group's buildings are situated as follows:		
On leasehold land	3,827	4,000
On freehold land	16,783	17,290
In a multi-storey office complex with strata title	567	579
	21,177	21,869

As at 31 December 2018, the net carrying amount of cars for hire under hire purchase arrangements is RM67,131,000 (2017: RM93,457,000).

Property, plant and equipment under revaluation model

The Group's land and buildings under property, plant and equipment were revalued on 31 December 2018. The fair values of the land and buildings as at 31 December 2018 were based on valuations carried out by Rahim & Co International Sdn Bhd, a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. Fair values of land and buildings have been generally derived using the sales comparison and depreciated replacement cost approach and therefore are categorised as Level 2 in the fair value hierarchy. In the sales comparison approach, sales price of comparable properties in close proximity is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation.

There is no transfer between levels of fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Had the revalued property, plant and equipment been carried under the cost model, the net carrying amount of each class of property, plant and equipment that would have been included in the financial statements of the Group as at 31 December 2018 and 31 December 2017 would be as follows:

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost				
At 1 January 2018/31 December 2018	15,612	4,145	16,306	36,063
Accumulated depreciation				
At 1 January 2018	-	763	4,243	5,006
Charge for the financial year	-	155	359	514
At 31 December 2018	-	918	4,602	5,520
Net carrying amount				
At 31 December 2018	15,612	3,227	11,704	30,543
Cost				
At 1 January 2017	15,612	2,864	15,410	33,886
Additions	-	1,281	896	2,177
At 31 December 2017	15,612	4,145	16,306	36,063
Accumulated depreciation				
At 1 January 2017	-	608	3,884	4,492
Charge for the financial year	-	155	359	514
At 31 December 2017	-	763	4,243	5,006
Net carrying amount				
At 31 December 2017	15,612	3,382	12,063	31,057

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

Furniture, fixtures, fittings and office equipment	Company	
	2018	2017
	RM'000	RM'000
Cost		
At 1 January	414	414
Additions	3	-
At 31 December	417	414
Accumulated depreciation		
At 1 January	408	393
Charge for the financial year	4	15
At 31 December	412	408
Net carrying amount		
At 31 December	5	6

6. INVESTMENT PROPERTY

	Group	
	2018	2017
	RM'000	RM'000
Fair value		
At 1 January	45,400	45,800
Fair value loss for the financial year	-	(400)
At 31 December	45,400	45,400
Investment property comprises:		
Leasehold land	42,600	42,400
Buildings	2,800	3,000
	45,400	45,400

Investment property comprises a commercial property that is leased to related parties. Each of the leases contains an initial lease period of 1 to 2 (2017: 2 to 3) years. Subsequent renewals are negotiated with lessee and on an average renewal period of 2 years. No contingent rents are charged.

6. INVESTMENT PROPERTY (continued)

The following is recognised in profit or loss in respect of the investment property:

	Group	
	2018	**2017**
	RM'000	**RM'000**
Rental income	727	664
Direct operating expenses	129	114

The Group measures its investment property at fair value and any change in fair value is recognised in profit or loss. The fair value of the investment property as at 31 December 2018 is based on a valuation carried out on 20 December 2018 by Rahim & Co International Sdn Bhd, a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value of the investment property was determined using comparison method and therefore is categorised as Level 2 in the fair value hierarchy.

The comparison method entails critical analyses of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences.

There is no transfer between levels of fair value hierarchy during the financial year.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018	**2017**
	RM'000	**RM'000**
Unquoted shares, at cost		
At 1 January	212,865	206,965
Additions	567	5,900
	213,432	212,865
Accumulated impairment losses	(60,313)	(57,008)
At 31 December	153,119	155,857

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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7. INVESTMENTS IN SUBSIDIARIES (continued)

The subsidiaries are as follows:

Name of subsidiary	Effective ownership and voting interest 2018 %	2017 %	Country of incorporation	Principal activities
Mayflower Car Rental Sdn Bhd +	100	100	Malaysia	Rental of cars and coaches and trading and marketing of motor vehicles
Mayflower Corporate Travel Services Sdn Bhd	100	100	Malaysia	Operation of inbound, outbound tours and provision of air-ticketing services
Mayflower Holidays Sdn Bhd	100	100	Malaysia	Operation of inbound, outbound tours and provision of air-ticketing services
Mayflower Holidays (Borneo) Sdn Bhd	100	100	Malaysia	Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services
MUV Marketplace Sdn Bhd +	100	100	Malaysia	Provision of used vehicles auction services, vehicles inspection and certification
TCIM Sdn Bhd +	100	100	Malaysia	Distribution, sale and rental of material handling equipment, agriculture tractors, engine, construction equipment and parts as well as provision of after sales services
Jentrakel Sdn Bhd +	100	100	Malaysia	Rental and sale of industrial machinery and equipment
Angka-Tan Motor Sdn Bhd +	100	100	Malaysia	Assembly, distribution and sale of commercial and passenger vehicles
Tan Chong Apparels Manufacturer Sdn Bhd +	100	100	Malaysia	Manufacture of apparels
Tung Pao Sdn Bhd +	100	100	Malaysia	Inactive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary	Effective ownership and voting interest 2018 %	2017 %	Country of incorporation	Principal activities
Warisan Captive Incorporated	100	100	Labuan Malaysia	Captive insurance
Grooming Expert Sdn Bhd +	100	100	Malaysia	Inactive
Warisan TC Automotive Manufacturers (M) Sdn Bhd	100	100	Malaysia	Manufacture and assembly of passenger and commercial vehicles
Mayflower-My 2nd Home (MM2H) Sdn Bhd	100	100	Malaysia	Provision of migration services
Warisan TC Management Services Sdn Bhd	100	100	Malaysia	Provision of management services
HairBiz College of Hairdressing Professionals Sdn Bhd +	100	100	Malaysia	Property investment holding
Belize Holdings Sdn Bhd +	100	100	Malaysia	Investment holding
Mayflower (Labuan) Pte Ltd	100	100	Labuan Malaysia	Investment holding
MAT (Labuan) Pte Ltd	100	100	Labuan Malaysia	Investment holding
Warisan Automotif Holdings Sdn Bhd	100	100	Malaysia	Dormant
ATM (Labuan) Pte Ltd	100	100	Labuan Malaysia	Dormant
Mayflower ITravel Sdn Bhd	100	100	Malaysia	Dormant
TCIM (Labuan) Pte Ltd	100	100	Labuan Malaysia	Dormant
WTC Automotif (M) Sdn Bhd	100	100	Malaysia	Dormant
Tan Chong Apparels Sdn Bhd +	100	100	Malaysia	Inactive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary	Effective ownership and voting interest 2018 %	2017 %	Country of incorporation	Principal activities
Excess Line Sdn Bhd	100	100	Malaysia	Inactive
Gocar Mobility Sdn Bhd	95	55	Malaysia	Car rental using mobile application
MUV Solutions Sdn Bhd	100	100	Malaysia	Research, development and commercialisation of software, provision of technology, maintenance and its related services
TC Machinery Vietnam Pte Ltd *	100	100	Vietnam	Inactive
MAT Tours and Travel (Cambodia) Pte Ltd *	100	100	Cambodia	Operation of inbound, outbound tours and provision of air ticketing services
MAT Transportation Solution (Myanmar) Company Ltd * ^	100	-	Myanmar	Dormant
Mayflower Online Sdn Bhd	80	80	Malaysia	Provision of multiple travel products and services via electronic platform
Kereta Komersil Seladang (M) Sdn Bhd	70	70	Malaysia	Manufacturing, assembly and sale of commercial and passenger vehicles
Comit Communication Technologies (M) Sdn Bhd +	75.5	100	Malaysia	Property investment holding
TCIM Esasia Sdn Bhd	70	70	Malaysia	Inactive

+ *Subsidiaries which are consolidated on the merger method of accounting*
^ *The financial year end for the said subsidiary is 31 March 2019, for the purpose of consolidation, the management financial statements of the said subsidiary are prepared to the same reporting date as the Group*
* *Not audited by Mazars PLT*

On 29 March 2018, Mayflower Car Rental Sdn Bhd, a wholly-owned subsidiary of the Company, acquired additional 34% equity interest (comprising 68,000 ordinary shares) in Gocar Mobility Sdn Bhd at a purchase consideration of RM382,000.

On 24 September 2018, Tan Chong Motor Holdings Berhad ("TCMH") entered into a Subscription and Shareholders' Agreement ("Agreement") with the Company and Comit Communication Technologies (M) Sdn Bhd ("Comit"), a subsidiary of the Company, to regulate the relationship of the parties as shareholders through equity participation by TCMH in Comit. On 27 September 2018, TCMH subscribed for 10,822,185 new ordinary shares representing 24.5% equity stake in Comit for a total cash consideration of RM13,244,190.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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8. INVESTMENT IN AN ASSOCIATE

	Group	
	2018	2017
	RM'000	RM'000
Unquoted shares, at equity method	1,069	979

The associate company, which is incorporated in Thailand, is as follows:

	Effective ownership and voting interest		
	2018	2017	
Name of associate	%	%	Principal activities
Mayflower Saha Travel (Thailand) Co. Ltd *	49	49	Provision of air-ticketing services, as well as inbound and outbound tours

* *Not audited by Mazars PLT*

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	2018	2017
	RM'000	RM'000
Unquoted shares, at cost	17,356	17,356
Share of post-acquisition reserve	19,992	18,637
	37,348	35,993

	Company	
	2018	2017
	RM'000	RM'000
Unquoted shares, at cost	24,568	24,568

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

The jointly controlled entities, all incorporated in Malaysia, are as follows:

Name of jointly controlled entity	Effective ownership and voting interest 2018 %	2017 %	Principal activities
Wacoal Malaysia Sdn Bhd ("Wacoal")	50	50	Distribution and sale of ladies lingerie
Shiseido Malaysia Sdn Bhd ("Shiseido")*	50	50	Distribution and sale of cosmetics and consumer products

* *Not audited by Mazars PLT*

	Group 2018 RM'000	Group 2017 RM'000
Reconciliation of net assets to carrying amount		
Group's share of net assets	44,537	43,194
Elimination of unrealised profits	(7,189)	(7,201)
Carrying amount in the consolidated statement of financial position	37,348	35,993
Group's share of profit, net of tax	3,675	2,768
Other information		
Cash dividend received by the Group	2,310	780

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

Summarised financial information of the jointly controlled entities is as follows:

	2018 RM'000	2017 RM'000
Wacoal		
Statement of financial position		
Current assets	33,263	31,610
Cash and bank balances	3,475	2,887
Non-current assets	5,924	6,425
Current liabilities	7,289	7,386
Non-current liabilities	174	154
Shiseido		
Statement of financial position		
Current assets	81,540	70,915
Cash and bank balances	23,592	20,804
Non-current assets	22,510	17,656
Current liabilities	46,126	32,172
Non-current liabilities	575	507
Wacoal		
Statement of profit or loss and other comprehensive income		
Revenue	45,663	45,352
Profit before tax	3,196	3,434
Total comprehensive income	2,349	2,543
Depreciation of property, plant and equipment	1,209	1,230
Interest income	195	177
Tax expense	847	891
Shiseido		
Statement of profit or loss and other comprehensive income		
Revenue	128,445	115,275
Profit before tax	6,365	4,119
Other comprehensive loss	43	18
Total comprehensive income	4,957	2,975
Depreciation of property, plant and equipment	3,627	2,671
Interest income	396	337
Tax expense	1,365	1,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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10. INTANGIBLE ASSETS

Group	Goodwill RM'000	License RM'000	Software and applications RM'000	Total RM'000
Cost				
At 1 January 2018	8,676	700	3,625	13,001
Purchase of software and application	-	-	711	711
Additions	245	-	-	245
At 31 December 2018	8,921	700	4,336	13,957
Accumulated amortisation				
At 1 January 2018	-	-	627	627
Charge for the financial year	-	-	810	810
At 31 December 2018	-	-	1,437	1,437
Net carrying amount				
At 31 December 2018	8,921	700	2,899	12,520

Group	Goodwill RM'000	License RM'000	Software and applications RM'000	Total RM'000
Cost				
At 1 January 2017	8,676	700	2,292	11,668
Additions	-	-	1,333	1,333
At 31 December 2017	8,676	700	3,625	13,001
Accumulated amortisation				
At 1 January 2017	-	-	84	84
Charge for the financial year	-	-	543	543
At 31 December 2017	-	-	627	627
Net carrying amount				
At 31 December 2017	8,676	700	2,998	12,374

10. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The above goodwill acquired has been allocated to the cash-generating units ("CGUs"), namely Mayflower Corporate Travel Services Sdn Bhd and GoCar Mobility Sdn Bhd.

Recoverable amount based on value-in-use

The recoverable amounts of the abovementioned CGUs are determined based on value-in-use calculations using cash flow projections covering five years. The growth rates used for the five-year cash flow projections are in the range of 3% to 5% (2017: 3% to 5%) per annum and the terminal value growth rates used are in the range of 3% to 5% (2017: 3% to 5%).

The value-in-use was determined by discounting the future pre-tax cash flows generated from the continuing use of the units. The pre-tax discount rates used are in the range of 7.2% to 9.2% (2017: 7.2% to 9.2%).

The values assigned to the key assumptions represent management's assessment of future trends in the mentioned industry and are based on both external sources and internal sources.

Sensitivity to changes in assumptions

In assessing the value-in-use, management is of the view that no foreseeable changes in any of the above key assumptions would cause the carrying value of the CGUs to materially exceed their recoverable amount.

11. DEFERRED TAX ASSET/(LIABILITIY)

The components of the Group's and of the Company's deferred tax asset/(liability) are as follows:

	Asset		Liability		Total	
	2018	2017	2018	2017	2018	2017
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Property, plant and equipment	-	-	(14,373)	(18,676)	(14,373)	(18,676)
Investment property	-	-	(615)	(615)	(615)	(615)
Retirement benefit obligations	397	329	-	-	397	329
Tax loss carry forward	167	167	-	-	167	167
Other items	4,935	3,990	-	-	4,935	3,990
Deferred tax asset/(liability)	5,499	4,486	(14,988)	(19,291)	(9,489)	(14,805)
Offsetting	(2,924)	(1,822)	2,924	1,822	-	-
Net deferred tax asset/(liability)	2,575	2,664	(12,064)	(17,469)	(9,489)	(14,805)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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11. DEFERRED TAX ASSET/(LIABILITIY) (continued)

	Asset		Liability		Total	
	2018	2017	2018	2017	2018	2017
Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retirement benefit obligations	-	89	(34)	-	(34)	89
Other items	-	120	20	-	20	120
Net deferred tax asset/(liability)	-	209	(14)	-	(14)	209

No deferred tax asset is recognised in respect of the following items as it is not probable that there will be future taxable profit available:

	Group	
	2018	2017
	RM'000	RM'000
Unutilised tax losses	37,624	37,929
Unabsorbed capital allowances	10,754	7,445
Other temporary differences	3,407	3,391
	51,785	48,765

Pursuant to the relevant tax legislation, unutilised tax losses will expire in year 2025 and unabsorbed capital allowances can be carried forward indefinitely.

Movements of deferred tax are as follows:

Group	At 1 January RM'000	Recognised in profit or loss (note 29) RM'000	Recognised in other comprehensive income (note 31) RM'000	At 31 December RM'000
2018				
Property, plant and equipment	(18,676)	4,303	-	(14,373)
Investment property	(615)	-	-	(615)
Retirement benefit obligations	329	297	(229)	397
Tax loss carry forward	167	-	-	167
Other items	3,990	1,030	(85)	4,935
Deferred tax (liability)/asset	(14,805)	5,630	(314)	(9,489)

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

11. DEFERRED TAX ASSET/(LIABILITIY) (continued)

Movements of deferred tax are as follows (continued):

Group	At 1 January RM'000	Recognised in profit or loss (note 29) RM'000	Recognised in other comprehensive income (note 31) RM'000	At 31 December RM'000
2017				
Property, plant and equipment	(19,981)	2,514	(1,209)	(18,676)
Investment property	(635)	20	-	(615)
Retirement benefit obligations	528	(253)	54	329
Tax loss carry forward	167	-	-	167
Other items	3,543	335	112	3,990
Deferred tax (liability)/asset	(16,378)	2,616	(1,043)	(14,805)
Company				
2018				
Retirement benefit obligations	89	-	(244)	(155)
Other items	120	21	-	141
Deferred tax asset/(liability)	209	21	(244)	(14)
2017				
Retirement benefit obligations	91	-	(2)	89
Other items	-	120	-	120
Deferred tax asset/(liability)	91	120	(2)	209

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12. FINANCE LEASE RECEIVABLES

	Group	
	2018	**2017**
	RM'000	**RM'000**
Finance lease instalments receivable:		
- not later than one year	5,246	2,233
- later than one year but not later than five years	4,548	1,840
	9,794	4,073
Unexpired term charges	(654)	(240)
Outstanding principal	9,140	3,833
Outstanding principal receivable not later than one year (note 15)	(4,797)	(2,105)
Outstanding principal receivable later than one year but not later than five years	4,343	1,728

The effective interest rates of the finance leases range from 3.0% to 6.0% (2017: 4.0% to 5.0%) per annum depending on the amount financed and the tenure of the lease.

13. OTHER INVESTMENTS

	Group	
	2018	**2017**
	RM'000	**RM'000**
Equity instrument designated at FVTOCI		
Unquoted shares	6	10

14. INVENTORIES

Group	2018 At cost RM'000	2018 At net realisable value RM'000	2018 Total RM'000	2017 At cost RM'000	2017 At net realisable value RM'000	2017 Total RM'000
Raw materials	385	-	385	518	-	518
Work-in-progress	621	-	621	57	-	57
Equipment and machinery	79,603	5,246	84,849	46,440	13,069	59,509
Trading inventories	2,636	-	2,636	2,623	-	2,623
Spare parts and workshop inventories	13,948	4,654	18,602	14,962	4,285	19,247
Commercial and passenger vehicles	54,885	-	54,885	34,477	-	34,477
Complete knock down kits and accessories	6,907	-	6,907	8,571	-	8,571
	158,985	9,900	168,885	107,648	17,354	125,002

Commercial and passenger vehicles include cars held for sale, previously held for rental, amounting to RM19,906,000 (2017: RM8,406,000).

15. TRADE AND OTHER RECEIVABLES

Group	2018 RM'000	2017 RM'000
Current		
Receivables from contracts with customers		
Related parties (a)	16,032	9,018
Third parties (b)	120,542	122,029
	136,574	131,047
Allowance for doubtful debts	(6,055)	(5,372)
	130,519	125,675

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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15. TRADE AND OTHER RECEIVABLES (continued)

Group	2018 RM'000	2017 RM'000
Current		
Other trade receivables		
Finance lease receivables (note 12)	4,797	2,105
Carrying amount of trade receivables	135,316	127,780
Other receivables	11,838	10,766
Goods and Services Tax ("GST") recoverable	8,665	6,084
Sales tax refund	-	676
Sundry deposits	3,424	3,686
Prepayments	10,762	8,255
Jointly controlled entities (c)	-	2
Related parties (d)	232	526
	170,237	157,775
Non-current		
Other receivables (e)	-	698
Company		
Sundry deposits	19	18
Prepayments	19	19
Subsidiaries (c)	3,622	3,774
Jointly controlled entities (c)	-	2
Related parties (d)	1	57
	3,661	3,870

(a) The related parties are companies in which a director of the Company has substantial interest. The amounts owing by related parties which are trade in nature, unsecured, interest-free and have a normal credit period of 60 to 120 (2017: 60 to 120) days.

(b) Customers are granted credit periods of between 30 to 60 (2017: 30 to 60) days. For major established customers, the credit terms may be extended to 120 days based on the discretion of the management.

(c) The amounts owing by jointly controlled entities and subsidiaries are non-trade in nature, unsecured, interest-free and receivable on demand.

(d) The amounts owing by related parties are non-trade in nature, unsecured, interest-free and receivable on demand.

(e) In previous year, the other receivables are unsecured, interest bearing at 6.5% per annum and are not expected to be recalled within the next 12 months.

15. TRADE AND OTHER RECEIVABLES (continued)

Management applies simplified approach (i.e. lifetime expected credit losses) in measuring the loss allowance for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the trade receivables and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables, general economic conditions of the industry in which the trade receivables operate and an assessment of both the current as well as the forecast direction of conditions as at the end of the reporting date.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the trade receivable has been placed under liquidation or has entered into bankruptcy proceedings.

The movements in allowance for doubtful debts for trade receivables are as follows:

	Group	
	2018	2017
	RM'000	RM'000
At the beginning of the financial year	5,372	5,972
Allowance	1,424	970
Reversal	(741)	(1,570)
At the end of the financial year	6,055	5,372

The risk profile and aging analysis of trade receivables are as follows:

Group	Gross carrying amount RM'000	Individual Impairment RM'000
2018		
Not past due	66,964	(1)
1 - 30 days past due	25,607	-
31 - 120 days past due	28,983	(507)
Over 120 days past due	24,160	(5,547)
	145,714	(6,055)
2017		
Not past due	51,174	-
1 - 30 days past due	25,599	-
31 - 120 days past due	22,902	(7)
Over 120 days past due	35,205	(5,365)
	134,880	(5,372)

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16. DERIVATIVE FINANCIAL ASSET/(LIABILITY)

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 rates. All forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

	2018			2017		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Derivatives used for hedging						
- Forward exchange contracts	25,420	38	(169)	27,940	10	(519)

17. SHORT TERM DEPOSITS

The short term deposits represent investments in short term funds which are managed and invested into fixed income securities and money market instruments by fund management companies. The short term funds are readily convertible to cash.

18. FIXED DEPOSITS

Fixed deposits are placed with licensed banks to earn effective interest rates ranging from 0.8% to 5.5% (2017: 0.7% to 5.3%) per annum. All deposits have maturity periods of less than one year.

19. SHARE CAPITAL

	2018		2017	
	Number of shares		Number of shares	
	'000	RM'000	'000	RM'000
Issued and fully paid ordinary shares				
Group				
At 1 January	67,200	67,815	67,200	67,200
Adjustment pursuant to the Companies Act 2016				
- Share premium	-	-	-	615
At 31 December	67,200	67,815	67,200	67,815
Company				
At 1 January/31 December	67,200	67,200	67,200	67,200

20. RESERVES

Share premium

Share premium represents the excess of issue price over the par value of shares issued under the Companies Act 1965.

Upon commencement of CA 2016, all amount standing to the credit of the share premium account becomes part of the share capital account.

Merger reserve

Merger reserve arose from those subsidiaries identified in note 7 which are consolidated on the merger method of accounting.

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations to the Group's reporting currency.

Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Revaluation reserve

(i) Revaluation reserve relates to the revaluation of property, plant and equipment immediately prior to its reclassification as investment property; and

(ii) The revaluation reserve is used to record changes in fair value of land and buildings measured under the revaluation model.

21. TREASURY SHARES

	Group and Company			
	Number of shares		At cost	
	2018	2017	2018	2017
	'000	'000	RM'000	RM'000
At 1 January	2,099	2,098	4,213	4,210
Additions	-	1	-	3
At 31 December	2,099	2,099	4,213	4,213

The treasury shares have no rights to voting, dividends or participation in other distribution.

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22. LOANS AND BORROWINGS

	Group 2018 RM'000	Group 2017 RM'000
Non-current		
Bank term loans (unsecured)	-	10,750
Hire purchase payables	15,540	36,867
	15,540	47,617
Current		
Bank term loans (unsecured)	10,750	12,370
Hire purchase payables	29,994	35,960
Bankers' acceptances (unsecured)	50,525	30,819
Revolving credits (unsecured)	164,900	166,000
Bank overdrafts (unsecured)	931	1,272
	257,100	246,421
Total	272,640	294,038

Hire purchase payables are payable as follows:

Group	Future minimum hire purchase payables RM'000	Future finance charges RM'000	Present value of minimum hire purchase payables RM'000
2018			
Hire purchase payables:			
Less than one year	31,571	(1,577)	29,994
Between one and five years	16,307	(767)	15,540
	47,878	(2,344)	45,534
2017			
Hire purchase payables:			
Less than one year	39,164	(3,204)	35,960
Between one and five years	38,470	(1,603)	36,867
	77,634	(4,807)	72,827

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22. LOANS AND BORROWINGS (continued)

The bank term loans are unsecured and bear effective interest rates ranging from 4.49% to 5.2% (2017: 4.33% to 5.2%) per annum.

The hire purchase payables bear flat interest rates ranging from 2.52% to 4.95% (2017: 2.56% to 4.95%) per annum.

The bankers' acceptances are unsecured and bear effective interest rates ranging from 3.82% to 4.78% (2017: 3.52% to 4.25%) per annum.

Revolving credits are unsecured and bear effective interest rates ranging from 3.88% to 5.35% (2017: 3.8% to 5.08%) per annum.

Bank overdraft is unsecured and bears effective interest rates at 7.10% (2017: 7.10%) per annum.

Changes in loans and borrowings arising from financing activities pertain to drawdowns and repayments made in the statements of cash flows.

23. RETIREMENT BENEFIT OBLIGATIONS

The Group and Company operate an unfunded defined benefit plan for employees whose entitlements are calculated by reference to their length of service and earnings. Provision for retirement benefits is calculated based on the predetermined rate of basic salaries and length of service of the employees.

The defined benefit plan exposes the Group and Company to actuarial risks such as longevity risk and interest rate risk.

The movements during the financial year and the amounts recognised in the statement of financial position are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded obligations				
At 1 January	6,534	5,717	926	848
Included in profit or loss				
Current service cost	663	580	66	36
Interest costs	329	313	25	50
	992	893	91	86

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Included in other comprehensive income				
Actuarial (gain)/loss	(954)	219	(1,017)	(8)
Other				
Benefits paid	(248)	(295)	-	-
At 31 December	6,324	6,534	-	926

The principal actuarial assumptions used in respect of the retirement benefit obligations were as follows:

	Group and Company	
	2018	2017
Discount rate	5.0 to 6.0%	5.0 to 6.0%
Expected rate of salary increases	5.5 to 6.5%	5.5 to 6.5%
Price inflation	2.5%	2.5%

Reasonably possible change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the retirement benefit obligations by the amounts shown below:

	2018		2017	
Group	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Discount rate (1% movement)	(541)	564	(457)	529
Salary increase rate (1% movement)	558	(500)	467	(417)
Company				
Discount rate (1% movement)	-	-	(4)	4

Although the analysis does not account for the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

NOTES TO THE FINANCIAL STATEMENTS
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24. CONTRACT LIABILITIES

Group	2018 RM'000	2017 RM'000
Consideration received in advance	5,910	6,500
Deferred income	1,553	1,071
	7,463	7,571

25. TRADE AND OTHER PAYABLES

Group	2018 RM'000	2017 RM'000
Current		
Trade payables (a)	85,160	41,312
Other payables	14,605	17,933
Deposits received	17,702	10,454
GST payables	-	401
Deferred interest income	41	134
Accruals	29,953	28,367
Related parties (b)	8,609	36,438
	156,070	135,039

Company	2018 RM'000	2017 RM'000
Current		
Other payables	618	546
Accruals	35	261
Subsidiaries (c)	2,921	243
Related parties (b)	228	2,895
	3,802	3,945
Non-current		
Subsidiaries (c)	5,189	5,189

(a) The credit periods granted by trade suppliers range from 30 to 120 (2017: 30 to 120) days.

(b) The related parties are companies in which a director of the Company has substantial interest. The amounts owing to the related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

(c) The amounts owing to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand, except for an amount of RM5,189,000 (2017: RM5,189,000) not repayable within the next 12 months and which is subject to interest fixed at 4.75% (2017: 4.75%) per annum.

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25. TRADE AND OTHER PAYABLES (continued)

The related parties are companies in which a director of the Company has substantial interest. The amounts owing to the related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

26. REVENUE

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	274,081	260,244	-	-
Revenue from other sources:				
- Dividends from jointly controlled entities	-	-	2,310	780
- Dividends from subsidiaries	-	-	5,017	10,789
- Finance lease income	521	236	-	-
- Insurance premium income	3,452	3,139	-	-
- Operating lease income				
- Investment property	661	664	-	-
- Machineries	20,654	19,288	-	-
- Cars	164,337	185,103	-	-
- Sale proceeds from disposals of assets held for rental	33,244	21,948	-	-
	496,950	490,622	7,327	11,569

The timing of revenue recognition from contracts with customers is summarised as follows:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Timing of revenue recognition:				
At a point in time	246,735	231,476	-	-
Over time	27,346	28,768	-	-
	274,081	260,244	-	-

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27. PROFIT FROM OPERATIONS

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging:				
Allowances for doubtful debts	1,424	970	-	-
Amortisation of intangible assets	810	543	-	-
Auditors' remuneration -				
statutory audit:				
- Mazars PLT	255	251	26	26
- Other auditors	10	20	-	-
non-statutory audit:				
- Mazars PLT and affiliates	105	110	10	10
- Other auditors	13	13	-	-
Bad debts written off	89	73	-	-
Depreciation of property, plant and equipment	55,142	58,999	4	15
Fair value loss on investment property	-	400	-	-
Impairment losses on investment in subsidiaries	-	-	3,305	5,677
Impairment loss on property, plant and equipment	9	61	-	-
Inventories recognised as cost of sales	259,330	235,719	-	-
Inventories written down	1,924	2,300	-	-
Property, plant and equipment written off	338	581	-	-
Rental expenses for land and buildings	4,858	4,167	-	-
Retirement benefit expense	992	893	91	86
and crediting:				
Gain on disposal of assets held for rental	5,510	5,707	-	-
Gain on disposal of other investments	1	-	-	-
Gain on disposal of property, plant and equipment	147	313	-	-
Interest income from fixed deposits	1,590	1,012	105	42
Interest income from short term deposits	341	268	7	6
Interest income from subsidiaries	-	-	6	31
Net realised gain on foreign exchange	-	1	-	-
Net unrealised gain on foreign exchange	245	370	-	-
Reversal of allowance for doubtful debts	741	1,570	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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28. FINANCE COSTS

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Bank term loans	908	1,611	-	-
Bankers' acceptances	1,637	1,154	-	-
Revolving credits	7,221	6,941	-	-
Hire purchase	3,298	4,447	-	-
Others	48	152	258	281
	13,112	14,305	258	281

29. TAX EXPENSE/(INCOME)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Current tax				
- current year	6,014	5,224	-	4
- underprovision in prior year	2,170	1,393	226	-
	8,184	6,617	226	4
Deferred tax				
- current year	(3,089)	(374)	(21)	(15)
- overprovision in prior year	(2,541)	(2,242)	-	(105)
	(5,630)	(2,616)	(21)	(120)
Total	2,554	4,001	205	(116)

The corporation income tax rate in Malaysia is 24% (2017: 24%). Taxation for other jurisdictions is determined at the tax rate prevailing in the respective jurisdictions.

29. TAX EXPENSE/(INCOME) (continued)

The difference between tax expense/(income) and the amount of tax determined by multiplying the profit before tax to the applicable tax rate, is analysed as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax	9,584	8,382	557	2,779
Tax calculated at applicable tax rate	2,300	2,012	134	667
Non-deductible expenses	3,190	5,256	1,629	2,100
Non-taxable income	(2,914)	(3,454)	(1,784)	(2,778)
Changes in unrecognised deferred tax asset	725	1,484	-	-
Difference in tax rates of other jurisdictions	(376)	(448)	-	-
Adjustment for prior years	(371)	(849)	226	(105)
	2,554	4,001	205	(116)

30. BASIC EARNINGS PER SHARE

The basic earnings per share have been calculated by dividing the Group's profit for the financial year attributable to shareholders of the Group by the weighted average number of shares in issue:

	Group	
	2018	**2017 (Restated)**
Profit for the financial year attributable to shareholders of the Company (RM'000)	7,488	4,742
Weighted average number of ordinary shares ('000)		
At 1 January	65,101	65,103
Effect of treasury shares purchased	-	(2)
At 31 December	65,101	65,101
Basic earnings per share (sen)	11.50	7.28

NOTES TO THE FINANCIAL STATEMENTS
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31. OTHER COMPREHENSIVE INCOME

	2018			2017		
	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Items that are or may be reclassified subsequently to profit or loss						
Changes in fair value of cash flow hedge	378	(91)	287	(459)	110	(349)
Exchange differences on translation of foreign operations	126	-	126	(1,787)	-	(1,787)
	504	(91)	413	(2,246)	110	(2,136)
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of retirement benefit obligations	954	(229)	725	(219)	54	(165)
Revaluation of property, plant and equipment	-	-	-	10,947	(1,209)	9,738
Share of other comprehensive income of jointly controlled entities	(25)	6	(19)	(9)	2	(7)
	929	(223)	706	10,719	(1,153)	9,566
	1,433	(314)	1,119	8,473	(1,043)	7,430
Company						
Item that will not be reclassified subsequently to profit or loss						
Remeasurement of retirement benefit obligations	1,017	(244)	773	8	(2)	6

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
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32. DIVIDENDS

	Group and Company	
	2018	2017
	RM'000	RM'000
In respect of the financial year ended 31 December 2016:		
Final single tier dividend of 2.0 sen paid on 23 June 2017	-	1,302
In respect of the financial year ended 31 December 2017:		
Interim single tier dividend of 1.0 sen paid on 29 September 2017	-	651
Final single tier dividend of 3.0 sen paid on 22 June 2018	1,953	-
In respect of the financial year ended 31 December 2018:		
Interim single tier dividend of 1.0 sen paid on 28 September 2018	651	-
	2,604	1,953

At the forthcoming Annual General Meeting, the directors proposed the payment of a final single tier dividend of 3.0 sen in respect of the financial year ended 31 December 2018 amounting to a dividend payable of approximately RM1.953 million. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2019.

33. EMPLOYEE INFORMATION

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Employee costs	82,617	79,055	2,018	1,807
Included in the employee costs are:				
EPF	8,483	8,209	300	273
Retirement benefit obligations	992	893	91	86

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34. RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Group and the Company have related party relationships with their direct and indirect subsidiaries, an associate, jointly controlled entities, and companies in which a director of the Company has substantial interest.

These related party transactions have been entered into in the normal course of business and have been established under negotiated terms.

Other than those related party transactions and outstanding balances disclosed elsewhere in the financial statements, the significant related party transactions are disclosed below:

(a) Transactions with subsidiaries

	Company	
	2018	2017
	RM'000	RM'000
Management fee	576	480
Interest expense	258	281

(b) Transactions with jointly controlled entities

	Group	
	2018	2017
	RM'000	RM'000
Sales	-	497
Travel agency, car rental and workshop services	138	580
Purchases	-	17

34. RELATED PARTY DISCLOSURES (continued)

(c) Transactions with Tan Chong Motor Holdings Berhad ("TCMH") and APM Automotive Holdings Berhad ("APM") groups, companies in which a director of the Company namely Dato' Tan Heng Chew is deemed to have substantial interests:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
With TCMH group				
Sales	27,225	10,202	-	-
Travel agency, car rental and workshop services	8,813	7,597	-	-
Rental income	1,541	1,317	-	-
Purchase of trucks	1,680	286	-	-
Purchase of spare parts	1,954	2,319	-	-
Workshop services	2,562	3,173	-	-
Rental expenses	1,763	1,162	-	-
Purchases of property, plant and equipment	75,245	33,307	-	-
Purchase of machinery	1,134	517	-	-
Insurance agency services	5,581	6,017	31	31
Administrative and IT services	3,267	4,352	-	-
Assembly services and royalty fee	9,814	3,284	-	-
Hire purchase interest	918	1,753	-	-
With APM group				
Sales	126	205	-	-
Travel agency, car rental and workshop services	1,890	2,145	-	-
Rental income	1,062	1,107	-	-
Purchase of spare parts	10	10	-	-
Rental expenses	436	464	-	-
Purchase of property, plant and equipment	-	277	-	-
Purchase of IT and software	562	286	-	-

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35. COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. Key management personnel comprise the directors (whether executive or otherwise) of the Company and certain senior management personnel of the Group.

Compensation paid and payable to key management personnel during the year comprises:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-executive Directors:				
- Fees	204	213	204	213
- Allowances	56	75	56	75
	260	288	260	288
Executive Directors:				
- Remuneration	2,861	2,501	1,578	1,438
- other short term employee benefits (including estimated monetary value of benefits-in-kind)	21	36	-	26
- EPF	407	367	300	273
- Post-employment benefit	299	-	299	-
	3,588	2,904	2,177	1,737
Other Key Management Personnel:				
- Remuneration	2,332	3,124	-	-
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	55	53	-	-
- EPF	283	341	-	-
	2,670	3,518	-	-
Total	6,518	6,710	2,437	2,025

The compensations paid and payable to the Executive Directors were in respect of their contract of service or employment with the Group and the Company.

36. COMMITMENTS

	Group	
	2018	2017
	RM'000	RM'000
Capital expenditure commitments		
Property, plant and equipment		
Approved and contracted capital expenditure not provided for in the financial statements	26,332	6,209
Approved but not contracted capital expenditure not provided for in the financial statements	21,193	1,066

Operating lease commitments

(a) The Group as lessor

The Group has entered into lease arrangements on vehicles and machineries to earn rental income. These leases have remaining non-cancellable lease terms of between 1 and 5 years.

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

	2018	2017
	RM'000	RM'000
Not later than one year	47,170	45,780
Later than one year but not later than five years	32,127	38,355
	79,297	84,135

(b) The Group as lessee

The Group leases office premises from various parties under non-cancellable operating leases for its operations. The leases have tenures of between 1 and 5 years, with an option to renew after expiry. Any increase in lease payments is negotiated and normally reflects market rentals.

The future minimum lease rental payments under the above non-cancellable operating leases are as follows:

	2018	2017
	RM'000	RM'000
Not later than one year	2,483	2,394
Later than one year but not later than five years	822	929
	3,305	3,323

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37. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Group	2018 RM'000	2017 RM'000
Financial Assets		
Amortised cost		
Finance lease receivables	4,343	1,728
Trade and other receivables*	150,810	143,458
Fixed deposits	24,390	42,989
Cash and bank balances	46,396	43,797
	225,939	231,972
FVTPL		
Derivative financial assets	38	10
Short term deposits	4,893	7,266
	4,931	7,276
FVTOCI		
Other investments	6	10
Company		
Financial Assets		
Amortised cost		
Trade and other receivables*	3,642	3,851
Fixed deposits	156	151
Cash and bank balances	5,999	5,392
	9,797	9,394
FVTPL		
Short term deposits	199	192

* *Trade and other receivables exclude prepayment, GST recoverable and sales tax refund*

37. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

Group	2018 RM'000	2017 RM'000
Financial Liability		
Amortised cost		
Trade and other payables**	156,029	134,504
Loans and borrowings	272,640	294,038
	428,669	428,542
FVTPL		
Derivative financial liability	169	519
Company		
Financial Liability		
Amortised cost		
Trade and other payables**	8,991	9,134

** *Trade and other payables exclude GST payables and deferred interest income*

(b) Fair value of financial instruments

Fair value hierarchy is based on the degree to which the fair value is observable:

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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37. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

Financial assets that are measured at fair value on a recurring basis categorised under Level 2:

Group	Fair value RM'000
2018	
Financial asset:	
Derivative financial asset	38
Financial liability:	
Derivative financial liability	(169)
2017	
Financial asset:	
Derivative financial asset	10
Financial liability:	
Derivative financial liability	(519)

The fair values of forward exchange contracts are estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

There is no transfer between levels of fair value hierarchy during the financial year.

The carrying amounts of the financial instruments of the Group and of the Company, which are not measured at fair value on a recurring basis at the end of the reporting date approximated or were at their fair value, due to their short-term or interest-bearing nature.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company have exposure to credit, liquidity, interest rate and foreign currency risks from their use of financial instruments:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from various receivables. For other financial assets (including investment in securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counter parties.

As at the end of the reporting period, the maximum exposure to credit risk arising from these financial assets is represented by the carrying amounts in the statement of financial position.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms is subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis resulting in the Group's exposure to bad debts insignificant. Any receivables having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of reporting period, the Group and the Company did not have any significant exposure to any individual customer or counter party or any major concentration of credit risk related to any financial asset.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligation when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from various payables, loans and borrowings.

The Group and the Company maintain a level of cash and bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	Within one year RM'000	One to five years RM'000	Total RM'000
2018			
Trade and other payables	156,029	-	156,029
Loans and borrowings	272,640	21,398	294,038
Derivative financial liability	169	-	169
	428,838	21,398	450,236
2017			
Trade and other payables	134,504	-	134,504
Loans and borrowings	250,509	49,499	300,008
Derivative financial liability	519	-	519
	385,532	49,499	435,031

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

Company	Within one year RM'000	One to five years RM'000	Total RM'000
2018			
Trade and other payables	3,802	5,951	9,753
2017			
Trade and other payables	3,945	5,681	9,626

(c) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Exposure to interest rate risk is primarily related to the Group's interest-bearing borrowings, short term deposits and fixed deposits.

The Group's policy is to borrow using a mix of fixed and floating rates. The objective is to reduce the impact of a rise in interest rates and to enable savings to be enjoyed if interest rates fall.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group manages its interest rate risk by placing such funds on short tenures of 12 months or less.

Sensitivity analysis for interest rate risk

The financial impact arising from changes in interest rate is not expected to be significant, accordingly the sensitivity has not been presented.

(d) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The major currencies giving rise to this risk are primarily United States Dollar ("USD"), Chinese Renminbi ("CNY"), Japanese Yen ("JPY") and Euro ("EUR").

The Group hedges part of its foreign currency denominated trade receivables and trade payables. At any point in time the Group also hedges part of its estimated foreign currency exposure in respect of forecast sales and purchases over the following six months. The Group uses forward exchange contracts to hedge its foreign currency risk. All forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period is as follows:

Group **In RM'000**			**Denominated in**		
2018	**USD**	**CNY**	**JPY**	**EUR**	**Others**
Trade receivables	-	104	-	-	-
Trade payables	(191)	-	(76)	(180)	(3)
Cash and bank balances	3,826	-	640	1	-
Net exposure	3,635	104	564	(179)	(3)
2017					
Trade receivables	-	901	-	110	48
Trade payables	(525)	-	(252)	-	-
Cash and bank balances	5,832	680	225	1	190
Net exposure	5,307	1,581	(27)	111	238

Sensitivity analysis for foreign currency risk

A sensitivity analysis has been performed on the outstanding foreign currency receivables, payables and cash and bank balances of the Group as at the end of the reporting date.

A 10 percent strengthening or weakening of the above mentioned foreign currencies against Ringgit Malaysia at the end of the reporting date would decrease or increase post-tax profit by RM313,000 (2017: RM548,000), with all other variables remaining constant.

39. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to maintain a strong capital base and to safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investors', creditors' and market's confidence and to sustain future development of the business. The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholders returns.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

39. CAPITAL MANAGEMENT (continued)

The gearing ratios are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Loans and borrowings (note 22)	272,640	294,038
Less: Short term deposits	(4,893)	(7,266)
Fixed deposits	(24,390)	(42,989)
Cash and bank balances	(46,396)	(43,797)
Net debt	196,961	199,986
Total equity attributable to owners of the Company	335,629	329,626
Gearing ratio	59%	61%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

cont'd

40. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Automotive		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	28,921	25,202	54,072	64,726	(709)	(3,416)	(2,410)	(2,688)	79,874	83,824
Included in the measure of segment profit:										
Revenue from external customers	247,654	244,683	168,324	178,481	55,830	49,953	25,142	17,505	496,950	490,622
Inter-segment revenue	-	-	1,414	1,348	-	-	-	-	1,414	1,348
Inventories written down	-	(1,745)	-	-	-	(406)	(1,924)	(149)	(1,924)	(2,300)
Impairment of property, plant and equipment	-	(53)	-	-	-	-	(9)	(8)	(9)	(61)
Fair value loss on investment property	-	-	-	-	-	-	-	(400)	-	(400)
Share of result of an associate	-	-	-	-	-	-	(384)	(183)	(384)	(183)
Share of results of jointly controlled entities	-	-	-	-	-	-	3,675	2,768	3,675	2,768
Not included in the measure of segment profit but provided to Chief Executive Officer:										
Depreciation and amortisation	(14,181)	(12,587)	(39,271)	(44,754)	(245)	(419)	(2,072)	(1,636)	(55,769)	(59,396)
Finance costs	(4,794)	(4,672)	(6,802)	(8,243)	(1,511)	(1,381)	(5)	(9)	(13,112)	(14,305)
Finance income	819	465	324	237	2	7	674	522	1,819	1,231
Tax expense	(1,275)	(1,504)	(892)	(2,108)	-	(49)	(387)	(384)	(2,554)	(4,045)
Segment assets	290,390	264,035	301,746	324,526	47,724	48,623	114,950	107,326	754,810	744,510
Included in the measure of segment assets:										
Additions to non-current assets other than financial instruments and deferred tax asset	23,194	16,468	51,577	52,133	516	44	1,564	2,588	76,851	71,233

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

40. SEGMENTAL ANALYSIS (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items:

	2018 RM'000	2017 RM'000
Profit before tax		
Total profit for reportable segments	79,874	83,824
Depreciation and amortisation	(55,952)	(59,542)
Finance costs	(13,112)	(14,305)
Finance income	1,931	1,280
Non-reportable segment expenses	(3,157)	(2,875)
	9,584	8,382

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2018						
Total reportable segments	496,950	(55,769)	(13,112)	1,819	754,810	76,851
Other non-reportable segments	-	(183)	-	112	10,805	995
Share of assets from equity accounted investments	-	-	-	-	38,417	-
	496,950	(55,952)	(13,112)	1,931	804,032	77,846
2017						
Total reportable segments	490,622	(59,396)	(14,305)	1,231	744,510	71,233
Other non-reportable segments	-	(146)	-	49	9,929	26
Share of assets from equity accounted investments	-	-	-	-	36,972	-
	490,622	(59,542)	(14,305)	1,280	791,411	71,259

41. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2018	2017
	RM'000	RM'000
Aggregate cost of property, plant and equipment acquired (note 5)	77,135	69,926
Finance via hire purchase	(9,844)	(38,865)
Net cash paid for acquisition of property, plant and equipment	67,291	31,061

42. SUBSEQUENT EVENTS

On 25 January 2019, Mayflower Car Rental Sdn Bhd, a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, Mayflower Logistics Solutions Sdn Bhd ("MLS"). The intended principal activities of MLS are to carry on business of providing logistics and transportation related services.

On 25 January 2019, MAT (Labuan) Pte Ltd, a wholly-owned subsidiary of the Company, acquired 49% equity interest in Tan Chong Warisan Resources Management LLC ("TCWRM") at a cash consideration of USD49,000 (equivalent to RM202,664). The principal activities of TCWRM are to develop and source for business opportunities in USA and Canada, to source for new and innovative products, technologies and/or services which can be commercially developed or commercialised and any other business related thereto.

43. ADOPTION OF NEW ACCOUNTING STANDARDS

MFRS 9 Financial Instruments

MFRS 9 *Financial Instruments* addressed the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities.

MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. Generally, the classification is determined at initial recognition. The classification depends on the Group's business model for managing its financial assets and the contractual cash flow characteristics of the financial assets. The classification of the financial assets according to MFRS 9 did not have significant impact on the Group.

MFRS 9 introduced ECL model on impairment of financial assets, that replaces the incurred loss model applied previously, i.e. a loss event needs not occur before an impairment loss is recognised. For trade receivables and lease receivables, the Group applied simplified approach under MFRS 9 where the loss allowances are measured at amounts equal to their lifetime ECL. The adoption of MFRS 9 did not have significant impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

43. ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 *Revenue from Contracts with Customers* introduced a new model for revenue recognition arising from contracts with customers. In general, the Group recognises revenue depicting the transfer of a promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for that goods transferred or services rendered. Depending on the terms of the contracts with customers, the Group recognises revenue when a performance obligation is satisfied. A performance obligation may be satisfied at a point in time (typically for transfer of goods or a customer) or over time (typically for rendering or services to a customer). The amount of revenue recognised is the consideration allocated to the satisfied performance obligation. Below is the summary of the impact upon adoption of MFRS 15:

	As previously stated RM'000	Effects of adoption of MFRS RM'000	As restated RM'000
Consolidated statement of financial position as at 1 January 2017			
Deferred tax liability	19,065	(165)	18,900
Contract liabilities	-	6,283	6,283
Trade and other payables	144,128	(5,593)	138,535
Retained earnings	247,465	(525)	246,940
Total equity attributable to owners of the Company	319,935	(525)	319,410
Consolidated statement of financial position as at 31 December 2017			
Deferred tax liability	17,678	(209)	17,469
Contract liabilities	-	7,571	7,571
Trade and other payables	141,737	(6,698)	135,039
Retained earnings	250,535	(664)	249,871
Total equity attributable to owners of the Company	330,290	(664)	329,626

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
cont'd

43. ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

	As previously stated	Effects of adoption of MFRS	As restated
	RM'000	RM'000	RM'000
Consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2017			
Revenue	490,805	(183)	490,622
Gross profit	134,281	(183)	134,098
Profit from operations	19,405	(183)	19,222
Profit before tax	8,565	(183)	8,382
Tax expense	(4,045)	44	(4,001)
Profit for the financial year	4,520	(139)	4,381
Profit for the financial year attributable to owners of the Company	4,881	(139)	4,742
Basic earnings per share (sen)	7.50	(0.22)	7.28
Total comprehensive income for the financial year	11,950	(139)	11,811
Total comprehensive income for the financial year attributable to owners of the Company	12,311	(139)	12,172
Consolidated statement of cash flows for financial year ended 31 December 2017			
Profit before tax	8,565	(183)	8,382
Operating profit before working capital changes	75,865	(183)	75,682
Changes in payables	(2,391)	183	(2,208)

44. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 4 April 2019 by the board of directors.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Keng Meng and Chin Ten Hoy, being two of the directors of Warisan TC Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 65 to 145 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and their financial performance and their cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN KENG MENG
Director

CHIN TEN HOY
Director

Kuala Lumpur

Date: 4 April 2019

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Kong Hon Khien, being the officer primarily responsible for the financial management of Warisan TC Holdings Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 65 to 145 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly)
declared by the abovenamed)
Kong Hon Khien)
at Kuala Lumpur)
in the Federal Territory)
on this 4 April 2019)

KONG HON KHIEN
Chartered Accountant
MIA Membership No.: CA 28614

Before me:
TAN KIM CHOOI
No. W661
Commissioner for Oaths
(Pesuruhjaya Sumpah)
Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of WARISAN TC HOLDINGS BERHAD will be held at The Grand Ballroom, Level 9, Sunway Putra Hotel, 100, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Friday, 31 May 2019 at 10:30 a.m. to transact the following businesses:

Ordinary Business

1. To lay the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. ***(Please refer to Explanatory Note 1)***

2. To declare a final single tier dividend of 3 sen per share for the financial year ended 31 December 2018. ***Ordinary Resolution 1***

3. To re-elect the following Directors who retire by rotation and being eligible, have offered themselves for re-election, in accordance with Article 98 of the Company's Constitution, as Directors of the Company:

   (i) Mr Lee Min On ***Ordinary Resolution 2***

   (ii) Mr Chin Ten Hoy ***Ordinary Resolution 3***

4. To approve the payment of Directors' fees of up to an amount of RM295,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 1 June 2019 until the next Annual General Meeting of the Company. ***Ordinary Resolution 4***

5. To approve the payment of Directors' benefits of up to an amount of RM100,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 1 June 2019 until the next Annual General Meeting of the Company. ***Ordinary Resolution 5***

6. To re-appoint Mazars PLT as Auditors of the Company for the financial year ending 31 December 2019 and to authorize the Directors to fix their remuneration. ***Ordinary Resolution 6***

As Special Business

To consider and if thought fit, to pass the following resolutions:

7. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

   7.1 "THAT approval be and is hereby given for Dato' Chong Kwong Chin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to be designated as an Independent Non-Executive Director of the Company." ***Ordinary Resolution 7***

   7.2 "THAT approval be and is hereby given for Datuk Abdullah bin Abdul Wahab who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to be designated as an Independent Non-Executive Director of the Company." ***Ordinary Resolution 8***

NOTICE OF ANNUAL GENERAL MEETING
cont'd

8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that –

(i) the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the purchase; and

(ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until –

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities." ***Ordinary Resolution 9***

9. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG MOTOR HOLDINGS BERHAD AND ITS SUBSIDIARIES**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.1 of the Company's Circular to Shareholders dated 30 April 2019 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until –

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." ***Ordinary Resolution 10***

10. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD AND ITS SUBSIDIARIES**

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.2 of the Company's Circular to Shareholders dated 30 April 2019 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

NOTICE OF ANNUAL GENERAL MEETING
cont'd

THAT such approval shall continue to be in force until –

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occur first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." ***Ordinary Resolution 11***

11. To transact any other business of the Company of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Twenty-Second Annual General Meeting of Warisan TC Holdings Berhad, a final single tier dividend of 3 sen per share for the financial year ended 31 December 2018 will be paid on 28 June 2019. The entitlement date shall be 7 June 2019.

A depositor shall qualify for the entitlement to the dividend only in respect of:

(1) shares transferred into the depositor's securities account before 4:00 p.m. on 7 June 2019 in respect of ordinary transfers; and

(2) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.

By Order of the Board
ANG LAY BEE (MAICSA 0825641)
Company Secretary

Kuala Lumpur
30 April 2019

NOTICE OF ANNUAL GENERAL MEETING

cont'd

NOTES:

1. A depositor whose name appears in Record of Depositors of the Company as at 24 May 2019 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak and vote at the meeting.

2. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the meeting of the Company.

3. Subject to Note 6 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.

4. Subject to Note 6 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:

   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

6. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.

8. The Form of Proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of Annual General Meeting will be put to vote by poll.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

(1) **Item 1 of the Agenda – Audited Financial Statements for financial year ended 2018**

The laying of the Audited Financial Statements under Item 1 of the Agenda in accordance with Section 24(1)(a) of the Companies Act, 2016 is for the purpose of presenting the Audited Financial Statements to the shareholders and does not require approval of the shareholders.

(2) **Ordinary Resolutions 4 and 5 – Directors' Fees and Benefits**

In accordance with Section 230 (1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company pays Directors' fees and benefits to the Independent Non-Executive Directors ("INEDs"). The Executive Directors do not receive any fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders.

The Board recommends that shareholders approve a maximum aggregate amount of RM295,000 for the payment of Directors' fees to the INEDs of the Company during the course of the period from 1 June 2019 until the next Annual General Meeting of the Company.

The Board also recommends that shareholders approve a maximum aggregate amount of RM100,000 for the payment of benefits to the INEDs of the Company which mainly consist of meeting allowance (for acting as Chairman of the Meeting, RM1,500 per meeting and for acting as Board/Board Committee members, RM1,200 per meeting) during the course of the period from 1 June 2019 until the next Annual General Meeting of the Company.

(3) **Ordinary Resolutions 7 and 8 – Continuing in office as Independent Non-Executive Directors**

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event that the Company intends to retain the independent director who has served in that capacity for more than nine (9) years.

Following an assessment and recommendation by the Nominating and Remuneration Committee, the Board recommended that Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab who have served as INEDs for a cumulative term of more than nine (9) years to continue to be designated as INEDs of the Company based on the following key justifications:

(i) they fulfil the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, therefore, are able to bring independent and objective judgement to the Board;
(ii) their relevant experience and expertise in accounting, audit, entrepreneurial skill, legislative and administrative aspects would enable them to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contributions and competence;
(iii) they possess greater insight and knowledge of the businesses, operations and business strategies of the Group which enable them to contribute actively and effectively during deliberations at Board Committees and Board meetings;
(iv) they are able to raise their independence views and devote sufficient time and exercise due care as Independent Directors of the Company and carry out their duties diligently in the interest of the Company and shareholders; and
(v) from their perfect attendance record at Board and Board Committee meetings, it is demonstrable of their commitment towards the Company's needs.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

(4) **Ordinary Resolution 9 – Proposed Renewal of Authority for the Company to Purchase Its Own Shares**

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company at any point in time of the purchase ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority will continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, or revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 30 April 2019 despatched together with the Company's 2018 Annual Report.

(5) **Ordinary Resolutions 10 and 11 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions**

The proposed Ordinary Resolutions 10 and 11, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on Ordinary Resolutions 10 and 11 are set out in the Circular to Shareholders dated 30 April 2019 despatched together with the Company's 2018 Annual Report.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 22nd Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, the member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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WARISAN TC HOLDINGS BERHAD (424834-W)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.

I/We ______________________________ *(name of shareholder, in capital letters)*

NRIC No./Company No. ______________________ *(new)* ______________ *(old)*

of ____

____ *(full address)*

telephone no. ______________________ being a member(s) of WARISAN TC HOLDINGS BERHAD,

hereby appoint ______________________________ *(name of proxy as per NRIC, in capital letters)*

NRIC No. ______________________ *(new)* ______________________ *(old)* and/or

______________________________ *(name of proxy as per NRIC, in capital letters)*

NRIC No. ______________________ *(new)* ______________________ *(old)* or failing him/her,

the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held at The Grand Ballroom, Level 9, Sunway Putra Hotel, 100, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Friday, 31 May 2019 at 10:30 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Ordinary Resolution 1	Final Single Tier Dividend		
Ordinary Resolution 2	Re-election of Mr Lee Min On		
Ordinary Resolution 3	Re-election of Mr Chin Ten Hoy		
Ordinary Resolution 4	Directors' Fees		
Ordinary Resolution 5	Directors' Benefits		
Ordinary Resolution 6	Re-appointment of Mazars PLT as Auditors		
Ordinary Resolution 7	Continuing in office as Independent Non-Executive Director for Dato' Chong Kwong Chin		
Ordinary Resolution 8	Continuing in office as Independent Non-Executive Director for Datuk Abdullah bin Abdul Wahab		
Ordinary Resolution 9	Proposed Renewal of Authority for the Company to purchase its own shares		
Ordinary Resolution 10	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Ordinary Resolution 11	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad and its subsidiaries		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

____
Signature/Common Seal

Number of shares held : ______________

Date : ______________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%

Notes:

1. A depositor whose name appears in Record of Depositors of the Company as at 24 May 2019 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak and vote at the meeting.

2. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the meeting of the Company.

3. Subject to Note 6 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.

4. Subject to Note 6 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

6. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.

8. The Form of Proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of Annual General Meeting will be put to vote by poll.

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TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (11324-H)
Registrar for WARISAN TC HOLDINGS BERHAD (424834-W)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 22nd Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PERSONAL DATA PROTECTION NOTICE

This Personal Data Protection Notice ("Notice") is issued to all shareholders (including substantial shareholders) ("Shareholders") of WARISAN TC HOLDINGS BERHAD ("Company", "WTCH", "we", "us" or "our") in accordance with the Personal Data Protection Act, 2010 ("Act") which came into force on 15 November 2013. The Act regulates the processing of personal data and requires us to notify you on matters relating to your personal data that is being processed, or that is to be collected and further processed by us. For the purpose of this Notice, the terms "personal data" and "processing" used in this Notice shall have the meaning prescribed in the Act.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has also on 15 November 2013 amended the Main Market Listing Requirements ("Listing Requirements") consequential to the Act. Under Paragraph 2.14A of the Listing Requirements, any person who provides or has provided personal data to Bursa Malaysia should read and be aware of Bursa Malaysia's personal data notice available at Bursa Malaysia's website www.bursamalaysia.com ("Bursa Malaysia's personal data notice"). If the Company provides Bursa Malaysia with personal data of the Shareholders, the Company must notify the Shareholders of Bursa Malaysia's personal data notice.

As Shareholders of WTCH, your personal data which may include your name, national registration identity card number (NRIC no.), passport number, address, date of birth/age, contact details and number, email address, gender, nationality, shareholding in WTCH, bank account number, CDS account number and any other personal data required, may be processed by WTCH and its related companies ("WTCH Group") for the following purposes ("Purposes"):

(a) Compliance with the Companies Act, 2016, Listing Requirements and applicable relevant laws, regulations and guidelines, as may be amended, from time to time;

(b) Verification of information to authorities and governmental agencies;

(c) Deliver, communicate and transmit to the Shareholders of WTCH's annual report, circular to shareholders, and any other information through modes of communication and delivery we deem appropriate;

(d) Payment of dividends and giving of other benefits to you as Shareholders, if applicable;

(e) Maintain, upkeep and update our records regarding our Shareholders' information; and

(f) Dealings with all matters in connection with your shareholding in the WTCH; or such other purposes as may be related to the foregoing.

The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.

Your personal data may be disclosed by us in connection with the Purposes to parties including but not limited to companies within WTCH Group (whether present or future), our professional advisers, insurance companies, auditors, lawyers, banks, share registrars and other service providers, governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligations which is imposed on WTCH Group. Your personal data may be transferred to a place outside Malaysia.

If you fail to supply to us your personal data, we may not be able to process your personal data for any of the Purposes.

We are committed to ensuring that your personal data is stored securely. You are responsible for ensuring that the personal data you provide to us is accurate, complete and not misleading and that such personal data is kept up to date.

Please also be notified that you have the right to request access to and correction of your personal data and you have a choice to limit the consent of the processing of your personal data.

PERSONAL DATA PROTECTION NOTICE
cont'd

Your written requests or queries pertaining to your personal data should be addressed to:

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Attention : Ms Lim Lay Kiow, Senior Manager
Tel No. : +603-2783 9299
Fax No. : +603-2783 9222
Email : lay.kiow.lim@my.tricorglobal.com

By providing to us your personal data, you hereby consent to the processing of your personal data in accordance with all of the foregoing. You shall also procure the consent of your proxy appointed to attend any general meeting of WTCH on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

In accordance with the Act, the Notice is issued in both English and Bahasa Malaysia. In the event of inconsistency between the English version and the Bahasa Malaysia version, the English version shall prevail.

Issued by: Warisan TC Holdings Berhad
30 April 2019

NOTIS PERLINDUNGAN DATA PERIBADI

Notis Perlindungan Data Peribadi ini ("Notis") dikeluarkan kepada semua pemegang saham (termasuk pemegang-pemegang saham utama)("Pemegang Saham") WARISAN TC HOLDINGS BERHAD ("Syarikat", "WTCH" atau "kami") menurut Akta Perlindungan Data Peribadi, 2010 ("Akta") yang berkuatkuasa pada 15hb November 2013. Akta ini mengawal selia pemprosesan data peribadi dan menghendaki kami untuk memaklumkan anda berkenaan perkara-perkara yang berkaitan dengan data peribadi anda yang sedang diproses, atau yang akan dikumpul dan diproses oleh kami. Untuk tujuan Notis ini, terma-terma "data peribadi" dan "pemprosesan" yang digunakan dalam Notis ini hendaklah membawa maksud sepertimana yang ditakrifkan dalam Akta tersebut.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") telah membuat pindaan kepada Keperluan Penyenaraian Pasaran Utama ("Keperluan Penyenaraian") pada 15hb November 2013 akibat daripada Akta ini. Seperti yang tertakluk di bawah perenggan 2.14A Keperluan Penyenaraian, sesiapa yang memberi atau telah memberi data peribadi kepada Bursa Malaysia, haruslah membaca dan menyedari tentang notis data peribadi Bursa Malaysia yang terdapat di laman web Bursa Malaysia di www.bursamalaysia.com ("notis data peribadi Bursa Malaysia"). Sekiranya Syarikat membekalkan data peribadi Pemegang Saham kepada Bursa Malaysia, Syarikat mesti memaklumkan Pemegang Saham tentang notis data peribadi Bursa Malaysia.

Sebagai Pemegang Saham WTCH, data peribadi anda mungkin termasuk nama, nombor kad pengenalan, nombor pasport, alamat, tarikh lahir/umur, maklumat dan nombor perhubungan, alamat emel, jantina, kewarganegaraan, pegangan saham dalam WTCH, nombor akaun bank, nombor akaun Sistem Depositori Pusat (CDS) anda dan data peribadi lain yang dikehendaki, yang mungkin diproses oleh WTCH dan syarikat-syarikat yang berkaitan dengannya ("Kumpulan WTCH") untuk tujuan-tujuan berikut ("Tujuan"):

(a) Mematuhi Akta Syarikat 2016, Keperluan Penyenaraian dan undang-undang, peraturan-peraturan dan garis panduan berkaitan yang mungkin dipinda dari semasa ke semasa;

(b) Pengesahan maklumat kepada pihak berkuasa dan agensi kerajaan;

(c) Menyampaikan, menghubungi dan menghantar laporan tahunan WTCH, pekeliling kepada Pemegang Saham, dan lain-lain maklumat kepada Pemegang Saham melalui cara komunikasi dan penyampaian yang kami anggap sesuai;

(d) Pembayaran dividen dan manfaat lain kepada anda sebagai Pemegang Saham, jika berkenaan;

(e) Mengekal, menyelia dan mengemaskinikan rekod kami yang berkaitan dengan maklumat-maklumat Pemegang Saham; dan

(f) Untuk berurusan dengan semua perkara yang berkaitan dengan pegangan saham anda dalam WTCH; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.

Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang diberi oleh anda serta maklumat lain yang mungkin kami perolehi berkenaan anda.

Maklumat peribadi anda mungkin dizahirkan oleh kami untuk Tujuan di atas kepada pihak lain termasuk dan tidak terhad kepada syarikat-syarikat dalam Kumpulan WTCH (sama ada pada masa kini atau masa depan), penasihat profesional, syarikat-syarikat insurans, juruaudit, peguam, bank, pendaftar saham dan pembekal perkhidmatan lain, semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga, sebagaimana yang dikehendaki undang-undang atau timbul daripada apa-apa kewajipan undang-undang yang dikenakan ke atas Kumpulan WTCH. Data peribadi anda mungkin akan dipindahkan ke suatu tempat di luar Malaysia.

Sekiranya anda gagal membekalkan data peribadi anda kepada kami, kami mungkin tidak dapat memproses data peribadi anda bagi mana-mana Tujuan tersebut.

Kami akan memastikan semua data peribadi anda disimpan dengan selamat. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan dikemaskini.

Adalah dimaklumkan bahawa anda mempunyai hak untuk meminta akses dan membetulkan data peribadi anda atau menghadkan pemprosesan data peribadi anda.

NOTIS PERLINDUNGAN DATA PERIBADI
cont'd

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Untuk Perhatian : Cik Lim Lay Kiow, Pengurus Kanan
No. Tel : +603-2783 9299
No. Fax : +603-2783 9222
Emel : lay.kiow.lim@my.tricorglobal.com

Dengan membekalkan data peribadi anda kepada kami, bermaksud anda bersetuju membenarkan kami memproses data peribadi anda selaras dengan apa-apa yang dinyatakan di atas. Anda juga harus mendapatkan persetujuan proksi yang dilantik untuk menghadiri apa-apa mesyuarat agung WTCH bagi pihak anda sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Mengikut Akta tersebut, Notis ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan diguna pakai.

Dikeluarkan oleh: Warisan TC Holdings Berhad
30 April 2019