WARISAN TC HOLDINGS BERHAD

(424834-W)

annual report 2007

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DIRECTORS

Dato' Tan Heng Chew
JP, DJMK
Chairman

Dato' Lee Eng Guan @ Lee Eng Yuan
DPTJ, ANS

Ngu Ew Look

Yeoh Keong Lian

Dato' Haji Nadzam
bin Haji Mohd Din
JP, DJMK, KMN, AMP

Ismail bin Rautin Ibrahim

Seow Thiam Fatt

Datuk Abdullah
bin Abdul Wahab
KMN, DPSJ, PJN

Chong Kwong Chin

Lim Hong Juay

AUDIT COMMITTEE

Seow Thiam Fatt
Chairman

Ismail bin Rautin Ibrahim

Chong Kwong Chin

Dato' Lee Eng Guan @ Lee Eng Yuan
DPTJ, ANS

COMPANY SECRETARY

Chang Pie Hoon

REGISTERED OFFICE

62-68 Jalan Ipoh
51200 Kuala Lumpur
Telephone : 03-4047 8888
Facsimile : 03-4047 8636

CORPORATE OFFICE

Lot 1A, Jalan Kemajuan
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Telephone : 03-7956 1868
Facsimile : 03-7954 8868

REGISTRARS

Tenaga Koperat Sdn. Bhd.
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
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Telephone : 03-4047 3883
Facsimile : 03-4042 6352

AUDITORS

Moores Rowland
Wisma Selangor Dredging
7th Floor, South Block, 142-A
Jalan Ampang
50450 Kuala Lumpur

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
*(Listed on the Main Board on
15 December 1999)*

Business Divisions

consumer products

- Cosmetics
- Hair care products
- Lingerie
- Multi level marketing

travel & car rental

- Inbound tours
- Outbound tours
- Corporate travel
- Airline ticketing
- Car rental

machinery

- Material handling equipment
- Construction equipment
- Agricultural tractors
- Engine & generator sets

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Warisan TC Holdings Berhad for the financial year ended 31 December 2007.

Highlights

The Group closed at a revenue of RM269.4 million, representing an increase of 25% over the previous year. The Group achieved an operating profit before tax of RM21.7 million, a 20% improvement compared to RM18.1 million of 2006.

Group profit before tax stood at RM21.7 million, representing a decrease of 8% compared to RM23.7 million of 2006. The decrease was due to the one-off gain on disposal of property amounting to RM5.6 million in 2006.

Total assets of the Group increased from RM272.7 million to RM301.2 million, a reflection of the Group increase in asset base. Consequently, net assets also rose by 5% to RM210.5 million from RM199.6 million.

Dividends

An interim dividend of 4% less tax per share amounting to RM1.939 million was paid on 2 October 2007.

The Board of Directors recommended the payment of a final dividend of 5% less tax per share for the financial year ended 31 December 2007. Together with the interim dividend of 4% less tax per share already declared and paid, this represents a total dividend of 9% (gross) per share.

Review of Operations

For the financial year ended 31 December 2007, the Group continued to operate with its 3 core divisions, namely Consumer Products, Travel & Car Rental and Machinery.

Consumer Products

The private consumption spending rose stronger in 2007 with a more stable economic fundamental and higher share prices. In tandem with this, Shiseido and Wacoal businesses registered a healthy growth in both revenue and profitability.

Shiseido

Shiseido Malaysia Sdn Bhd, a jointly-controlled entity, continued to enhance its counter image and customer service. The opening of the first Flagship counter at Parkson Pavillion marked an important era for Shiseido to present as a prestige brand in high-end departmental store.

To retain customers' loyalty, Shiseido Camellia (formerly Shiseido You Club) was launched with the objective of providing better personal services and more rewarding benefits to its members.

It was also an eventful year for Za with a new skincare line, namely "Za Future Defense" launched to cater for women looking for a new choice of anti-aging skincare product. As for Shiseido Professional, it continued to lead the professional perm category, I-Color, a new hair colour product was introduced to the market. Both the products received good market response and are expected to contribute positively to the business.

Wacoal

The introduction of several brands viz Parfage, Moi Cree and SenSuala in 2006 has contributed significantly to the Wacoal business in 2007. Together with Sorciage (a brand developed by Wacoal to cater for younger generation), these brands are now sold at stand-alone counters in various departmental stores. Wacoal Malaysia Sdn Bhd ("WM"), a jointly-controlled entity currently distributes several range of products in more than twenty (20) departmental stores throughout Peninsula Malaysia.

During the year, Tan Chong Apparels Manufacturer Sdn Bhd, a wholly-owned subsidiary which manufactures under-garments for WM, invested in a new plant located at Taiping. The plant is expected to complement its existing business by providing the impetus for contract manufacturing of ladies undergarments for overseas customers.

Multi Level Marketing

Unify Network Marketing focused on brand awareness activities and building the distribution base. Additional products with the concept of "total wellness" were launched to expand the existing product offerings.

Hairdressing School

Concerted efforts to promote Hairbiz College as a premium hairdressing academy were carried out through the media, career counseling seminars in schools and participation as judge in Hair Competitions.

Chairman's Statement

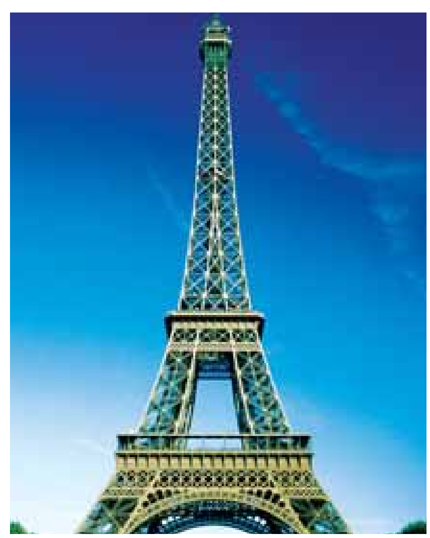
Travel & Car Rental

In tandem with the Government's campaign in promoting "Visit Malaysia Year", the overall market sentiment for the travel industry continued to be resilient in 2007. It was also a remarkable year with a series of events accomplished by the division. Both revenue and profitability grew higher compared to the previous year. Mayflower Acme Tours Sdn Bhd ("MAT"), a wholly-owned subsidiary, was awarded "Best Inbound Tour Operator" and "Best Tour Program Award 2005/6". MAT also won "The BrandLaureate SME's Chapter Award 2007" for its corporate brand excellence.

"Mayflower Car Rental", a major contributor of the division, recorded 1000-vehicle level during the year. The increase was on the back of continued increase in customer base due to increasing demand in long term leasing and chauffer services. Its clientele includes reputable local established and multi-national corporations.

The outbound business registered a remarkable growth from its corporate incentive travel business. To further enhance the tour business, a series tour unit was set up during the year.

Mayflower American Express Travel Services Sdn Bhd ("MAE"), a jointly-controlled entity, continued to perform well in the corporate ticketing market. MAE was once again awarded MAS Top Agent and Abacus Top Agent for the 6th consecutive year.



Machinery

The division registered a growth in revenue and profitability over the previous year, backed by higher construction equipment sales. Tapping on the opportunities from the 9th Malaysia Plan (9MP) and following the expansion in East Malaysia, the construction equipment segment has performed reasonably well and thus contributed significantly to the overall performance of the division.

2007 marked an important year for the forklift segment where an improved model with more versatile features was introduced towards end of the year. The new "1F" series model was well accepted by the market and is expected to contribute positively in the future.

The division continued its expansion program in East Malaysia. Following the setting up of Sibu and Kota Kinabalu branches in 2006, a Sandakan branch was set up in 2007 to enhance the division's long term competitive footing in the East Malaysian market.

Prospects

With "Visit Malaysia Year" being extended to August 2008, the travel business will continue to be robust and is expected to contribute significantly to the Group. To stay competitive, the travel division is ready to take on new challenges with the aim of increasing its business volume.

This year would be another prolific year for the machinery division. With effective business strategies in place, the division will continue to capitalize on its market strength to deliver a better performance again in 2008.

The consumer products division will continue to face challenges in 2008. The new business undertaken by the division is not expected to enhance the short term profitability but will contribute positively to the Group in the longer term.

Overall, we are looking forward to another profitable year in 2008, barring any unforessen circumstances.

Acknowledgment

On behalf of the Board, I would like to take this opportunity to thank all our shareholders, valued customers, business associates and financiers for their continuous support to the Group. I would like to record our appreciation to the management and employees for their dedication and commitment.

On behalf of the Board, I also wish to record a vote of appreciation and gratitude to our retiring Director, Encik Ismail bin Rautin Ibrahim, for his invaluable contribution and support to the Company and Group during his term of office, from 24 November 1999 until the conclusion of the coming Eleventh Annual General Meeting on 23 May 2008.

Lastly, I would like to thank my fellow Board members for their invaluable contribution to the Group.

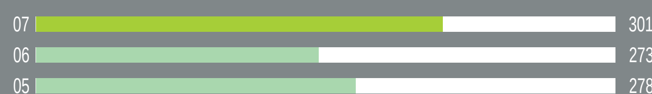
Dato' Tan Heng Chew
JP, DJMK
Chairman

Kuala Lumpur
7 April 2008

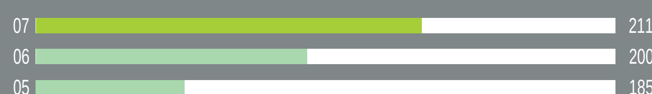
Financial Charts

revenue (RM million)

profit after tax (RM million)



total assets (RM million)



shareholders' equity (RM million)

net assets per share (sen)

earnings per share (sen)

Profile Of The Directors

Dato' Tan Heng Chew
JP, DJMK

aged 61, a Malaysian, is a Non-Independent Non-Executive Director and Chairman of Warisan TC Holdings Berhad. He was the first director of the Company when it was incorporated on 26 March 1997.

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 sits on the Board of Tan Chong Motor Holdings Berhad as Executive Deputy Chairman and is also Chairman of APM Automotive Holdings Berhad. He is also a director and shareholder of Tan Chong Consolidated Sdn Bhd, a major shareholder of the Company.

Dato' Tan does not have any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Tan attended all the five Board meetings held in 2007.

Dato' Lee Eng Guan @ Lee Eng Yuan
DPTJ, ANS

aged 62, a Malaysian, is a Non-Independent Non-Executive Director. He was elected to the Board at the Annual General Meeting of the Company on 20 May 2003 and is a member of the Audit Committee.

Dato' Lee graduated from the University of Queensland, Australia with a Bachelor of Arts degree. He was divisional director of the heavy machinery and equipment operations of the Tan Chong Motor Holdings Berhad ("TCMH") Group until the re-structuring of TCMH, resulting in the emergence of the Company. Prior to joining TCMH, he was with the Inchcape Group and the Tractors Malaysia Group.

Dato' Lee does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Lee attended all the five Board meetings held in 2007.

Ngu Ew Look

aged 54, a Malaysian, is an Executive Director. He was appointed to the Board on 26 July 2002.

Mr. Ngu is a Fellow of the Association of Chartered Certified Accountants. He joined the Tan Chong Motor Holdings Berhad ("TCMH") Group in September 1978 and served in various financial and management positions. He was an Accountant for the travel business and later became the Product Manager and subsequently promoted to General Manager of the industrial machinery business, both operations of which are now under the Warisan Group. Prior to his current appointment, he was General Manager, in charge of the heavy commercial vehicles division of TCMH Group and overseeing the heavy commercial vehicle business of TCMH Group in East Malaysia.

Mr. Ngu does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Ngu attended all the five Board meetings held in 2007.

Profile Of The Directors

Yeoh Keong Lian

aged 53, a Malaysian, is an Executive Director. She was appointed to the Board on 20 March 2003.

Ms Yeoh is a Fellow of the Association of Chartered Certified Accountants and holds a Diploma in Applied International Management. She served in various management capacities in the Tan Chong Motor Holdings Berhad Group for about 12 years before joining PK Electronic Industries Group in 1992 where she was the Senior Manager for about 3 years. Prior to her current appointment, she was Finance Director of Kimberly-Clark Corporation's Malaysia and Singapore operations.

Ms Yeoh does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

Ms Yeoh attended all the five Board meetings held in 2007.

Dato' Haji Nadzam bin Haji Mohd Din
JP, DJMK, KMN, AMP

aged 65, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 1 November 1999.

Dato' Haji Nadzam started his career in the Malaysian civil service in 1972. He served as Press Secretary for the Minister of Culture, Youth and Sport (1972 to 1975); Minister of Trade and Industry (1975 to 1978) and Minister of Law and Attorney General (1978 to 1980). He joined Tan Chong Motor Holdings Berhad Group in 1981 and has been the Head of its Public Affairs Department since then.

Dato' Haji Nadzam does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Haji Nadzam attended all the five Board meetings held in 2007.

Ismail bin Rautin Ibrahim

aged 73, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 24 November 1999 and is a member of the Audit Committee.

Encik Ismail is a Fellow of the Institute of Commercial Management, United Kingdom and holds a Diploma in Entrepreneural Management from Algonquin College, Canada. He joined the Royal Malaysia Police Force in 1954 and later joined the Department of Chief Government Security Officers in the Prime Minister's Department in 1967 and was appointed as its Chief in 1980. He subsequently opted for early retirement and ventured into business.

Encik Ismail does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

Encik Ismail attended all the five Board meetings held in 2007.

Encik Ismail is retiring at the forthcoming Eleventh Annual General Meeting of the Company on 23 May 2008 pursuant to Section 129 of the Companies Act, 1965.

Profile Of The Directors

Seow Thiam Fatt

aged 67, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 July 2002 and is Chairman of the Audit Committee.

Mr. Seow, a Chartered Accountant, was admitted as a member of CPA Australia in 1963, the Institute of Chartered Secretaries and Administrators in 1964 and the Institute of Chartered Accountants in Australia in 1968. He is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants (MICPA) since 1969. He is the past President of MICPA and had served as a government appointed Independent Director of the previous Kuala Lumpur Commodities Exchange (KLCE) for four years.

He has more than 20 years' professional experience as a practising accountant in his capacity as a Senior Partner of Larry Seow & Co. and a Partner of Arthur Young. He diverted from professional practice in 1994 and thereafter held several senior positions in private and public companies. His work experience includes a two-year contract with the Securities Commission of Malaysia as General Manager of the Financial Reporting Surveillance and Compliance Department.

Mr. Seow is also an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, Affin Investment Bank Berhad, ING Funds Berhad and Malaysia Pacific Corporation Berhad.

Mr. Seow does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Seow attended all the five Board meetings held in 2007.

Datuk Abdullah bin Abdul Wahab
KMN, DPSJ, PJN

aged 57, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 3 March 2008.

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.

Datuk Abdullah does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

Profile Of The Directors

Chong Kwong Chin

aged 55, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 3 March 2008 and is a member of the Audit Committee.

Mr. 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 and a Member of the Institute of Management (UK). Mr. 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, a firm affiliated with Moore Stephens, an international accounting firm. He is presently a senior partner of Moore Stephens and Ismail Chong & Associate.

Mr. Chong does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

Lim Hong Juay

aged 52, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 3 March 2008. He is Managing Director-designate of the Company and shall be redesignated as Non-Independent Executive Director upon assuming his executive function as Managing Director of the Company on 2 May 2008.

Mr. Lim has more than 30 years of experience in sales, marketing and management of Fast Moving Consumers Goods (FMCG) business in Malaysia and overseas. Prior to joining the Company, he was managing the pharmaceutical, healthcare products, nutrition and consumer business for a multinational company in Indonesia with marketing operations in the Asia Pacific region and South Africa. He also held senior positions in several other multinational companies engaged in FMCG business over the last three decades.

Mr. Lim does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company.

None of the Directors had convictions for any offence within the past ten years.

Corporate Governance Statement

The Board of Directors (the "Board") of Warisan TC Holdings Berhad recognises that the exercise of good corporate governance in conducting the business and affairs of the Company and the Group forms a fundamental part of discharging its responsibilities to protect shareholders' value and to enhance the Group's performance. It is the policy of the Board to manage the business and affairs of the Group in accordance with the appropriate standards for good corporate governance.

The Board wishes to report on the manner the Group has applied the principles and the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance (the "Code").

A: DIRECTORS

I The Board

The Board is entrusted with the responsibility in leading and directing the Group towards realising long term shareholders' values. The Board retains full and effective control of the Group's strategic plans, overseeing the conduct of the Group's businesses, implementing an appropriate system of risk management and ensuring the adequacy and integrity of the Company's system of internal control.

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. In every Board Meeting, there is a schedule of matters reserved for the Board's decision and apart from the broad policy making decisions, these matters include the approval of annual and interim results, annual business plans and budgets, significant acquisitions and disposals, material agreements, major capital expenditures, senior executive appointments and significant corporate matters. Other matters are delegated to committees of the Board and management as well as officers of the Group.

There were five (5) Board Meetings held during the financial year 2007. All the Directors who held office throughout the year attended all these Board Meetings.

II Board Balance

The Board currently has ten (10) members comprising the Chairman, two (2) Executive Directors and seven (7) Non-Executive Directors, one (1) of whom is Managing Director-designate. Of these Directors, four (4) are Independent Non-Executive Directors. This Board composition meets the requirement of at least one-third being Independent Non-Executive Directors.

The Board collectively has a diverse background in business and financial experience and skills vital for the continued progress and success of the Group. The profiles of the Board members are set out on pages 13 to 16.

III Supply of Information

All Board and Committee meetings held were preceded with formal agenda issued by the Company Secretary. The agenda was accompanied by the minutes of previous meetings, relevant documents for deliberations and reports on current trading and business issues, periodic financial reports and proposal papers from the management as and when required.

The Board has approved an agreed procedure for Directors to take independent professional advice at the Company's expense.

The Directors have direct access to the advice and the services of the Company Secretary who is responsible for ensuring Board procedures are followed.

IV Appointment to the Board

The Board is of the view that an assessment carried out by drawing upon the wealth of experience of all the Directors on the Board would be more effective and therefore a Nomination Committee is currently not required. Consequently, this role will be performed by the Board as a whole when necessary and as appropriate.

It is an essential part of the Board policy that Directors receive training and update from time to time, particularly on relevant new laws and regulations and changing commercial risks.

V Re-election and Re-appointment

The Company's Articles of Association provide that at every Annual General Meeting of the Company, one-third of the Directors shall retire from office by rotation and that all Directors shall retire from office once at least in every three years, but shall be eligible for re-election at each Annual General Meeting. Directors who are appointed by the Board are subject to re-election by the shareholders at the next Annual General Meeting following their appointment.

Pursuant to Section 129 of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every Annual General Meeting and may be re-appointed to hold office until the next Annual General Meeting.

Directors who are due for re-election by rotation in accordance with Article 100 of the Company's Articles of Association at the forthcoming Eleventh Annual General Meeting are Dato' Haji Nadzam bin Haji Mohd Din and Ms Yeoh Keong Lian. The newly appointed Directors (appointed on 3 March 2008) namely Datuk Abdullah bin Abdul Wahab, Mr. Chong Kwong Chin and Mr. Lim Hong Juay would hold office until the forthcoming Annual General Meeting, and being eligible, have offered themselves for re-election in accordance with Article 79 of the Company's Articles of Association. The profiles of the Directors who are due for re-election are set out on pages 14 to 16.

Encik Ismial bin Rautin Ibrahim is retiring at the forthcoming Eleventh Annual General Meeting pursuant to Section 129 of the Companies Act, 1965.

VI Directors' Training

The Directors are mindful that to effectively discharge their duties as Directors, they should receive appropriate continuous training by attending seminars and briefings in order to broaden their perspectives and to keep abreast with the development in the business environment as well as with the constant changes in regulatory requirements.

The training programmes and seminars attended by the Directors during the financial year 2007 included, among others, the following:-

* Directors' Duties, Governance & Liabilities
* Value Creation Through Mergers, Acquisitions And Corporate Restructuring
* Key Performance Indicators (KPI), Balanced Scorecards And Goal Alignment
* Leaderships In Challenging Times
* SSM Corporate Directors' Training Programme
* MAICSA Annual Conference 2007
* Investors - A Tax Tool

B: DIRECTORS' REMUNERATION

The Board is of the view that existing remuneration guidelines formulated by drawing upon the wealth of experience of all the Directors on the Board would be more effective and therefore a Remuneration Committee is currently not required. Consequently, this role will be performed by the Board as a whole when necessary and as appropriate. The remuneration policy of the Group essentially seeks to attract, retain and motivate employees of all levels including Executive Directors to contribute positively towards the Group's performance.

The quantum of the annual performance bonus and increment for the employees of the Group is dependent on the operating results of the Group after taking into account the prevailing business conditions and the individual's performance. The same guidelines apply to the Executive Directors.

The aggregate remuneration of the Directors for the financial year ended 31 December 2007 is as follows:

	Fees RM	Salaries & Allowance RM	Bonus RM	Benefits-in-kind RM	Total RM
Executive Directors	-	471,623	241,849	37,000	750,472
Non-Executive Directors	79,200	12,600	-	-	91,800

The number of Directors whose remuneration falls into the following bands are as follows:

Range of remuneration	Executive	Non-Executive
50,000 and below	-	2
250,001 - 300,000	1	-
450,001 - 500,000	1	-

The remuneration of each of the Non-Executive Director is determined by the Board as a whole. Non-Executive Directors do not take part in discussions of their own remuneration.

C: RELATIONS WITH SHAREHOLDERS

I Dialogue between the Company and Investors

The Board acknowledges the need to communicate with shareholders on all material business matters affecting the Group. The Company will hold group and individual discussions with analysts, institutional shareholders and investment communities, at their request, with the view to foster greater understanding of the business of the Group. When appropriate, the Company will also conduct press conference to inform shareholders and investors of any material business developments of the Group. The Group's quarterly result announcements are available on the website of Bursa Malaysia Securities Berhad and serve to keep the interested shareholders informed of the Group's progress from time to time.

II Annual General Meeting ("AGM")

AGM is the principal forum for dialogue with the shareholders which allows the shareholders to have direct access to the Board. The shareholders are given the opportunity to raise questions or issues regarding the Company's performance or on any proposed resolution.

The last AGM was held on Wednesday, 16 May 2007 at 3:00 p.m. at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur. It was attended by shareholders comprising registered individuals, proxies and corporate representatives with a total shareholding representing 55.72% of the issued share capital.

D: ACCOUNTABILITY AND AUDIT

I Financial Reporting

The Board aims to present a balanced and understandable assessment of the Company's and the Group's position and prospects to the shareholders, investors and regulatory authorities primarily through the annual report and quarterly financial statements.

II Internal Control

The Directors acknowledge their responsibility for the Group's system of internal control which would cover all aspects of the business including financial, operational and compliance controls. While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system cannot totally eliminate risks and thus there can never be an absolute assurance that the Group will achieve its objectives or will there be no material loss arising thereon.

The Statement of Internal Control furnished on pages 21 and 22 provides an overview of the state of the internal controls within the Group.

III Audit Committee and Auditors

The Board has established an Audit Committee. The membership of this Committee, the terms of reference and its activities report are set out on pages 27 to 30.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES IN CORPORATE GOVERNANCE

The Directors considered that for the financial year ended 31 December 2007, the Company had complied substantially with the Best Practices in Corporate Governance as set out under Part 2 of the Code, except for the formation of Nomination and Remuneration Committees as explained in the report on the application of the principles and best practices in corporate governance.

Statement On Internal Control

Responsibility

The Board has overall responsibility for the Group's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets. However, 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 or loss.

Internal Control System

The key elements of the Group's internal control system are described as below:

* Defined lines of responsibility, delegation of authority, segregation of duties and information flow.

* The Executive Management Committee (EMC) which reviews high level policies and when there are changes of new policies as well as monitors the performance and profitability of business divisions.

* Internal policies and procedures have been established and documented.

* Business planning and budgeting process for business units with periodical monitoring of performance so that major variances are followed up and management action taken.

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

* Independent appraisals by internal auditors to ensure ongoing compliance with policies and procedures whilst assessing the effectiveness of the Group's system of financial, compliance and operational control.

Statement On Internal Control

Risk Management Framework

The Board confirms that there is a continuous process to identify and manage the significant risks of the Group. Key risks relating to the Group's operations and strategic mission are addressed, evaluated and subsequently tabled and endorsed by the Board.

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

* Risk Management Committee, which is headed by an Executive Director and comprising key management personnel from respective business divisions, has been established. The Committee is entrusted with the responsibility to identify and communicate to the Board through the Audit Committee on the risk that the Group faces, their changes and management action plans to mitigate the risks.

* A Risk Management Oversight Policies and Procedures which outlines the risk management framework for the Group and offers practical guidance on risk management issues has been formed and presented to the Audit Committee for adoption.

* Updates on Corporate Risk Scorecards by the heads of business divisions with focus on operational risks. The database of all risks and controls in a form of risk scorecard is subject to review.

Internal Audit Function

An in-house internal audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance of the Group's system of internal control. Internal audit appraises and contributes towards improving the Group's risk management and control system and reports to the Audit Committee on a quarterly basis.

The internal audit team is independent and has no involvement in the operation of the Group.

The Board is of the opinion that the system of internal control is adequate to achieve the Group's business objectives. During the year, there were no material losses caused by breakdown in internal control.

Additional Compliance Information

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

(i) Utilisation of Proceeds

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

(ii) Share Buy-Back

During the financial year, the Company bought back a total of 799,200 shares of RM1.00 each from the open market. Details of the shares bought back during the financial year are as follows:

Month	Number of share bought back and held as treasury shares	Highest price paid per share (RM)	Lowest price paid per share (RM)	Average price paid per share (RM)	Total consideration* (RM)
January	12,700	1.780	1.680	1.721	22,031.30
March	180,500	1.830	1.700	1.764	320,835.92
April	228,400	1.900	1.850	1.880	432,519.29
May	20,300	1.750	1.750	1.750	35,788.36
June	119,700	1.830	1.760	1.819	219,401.24
July	10,100	1.870	1.850	1.870	19,024.85
August	48,200	1.800	1.800	1.800	87,402.27
September	59,300	1.920	1.820	1.849	110,457.73
October	1,600	1.860	1.860	1.860	2,998.06
November	49,000	1.890	1.860	1.880	92,797.64
December	69,400	1.900	1.880	1.900	132,842.77
Total	799,200				1,476,099.43

Note: * Including transaction costs

All the shares bought back during the financial year are held as treasury shares. As at 31 December 2007, a total of 957,300 shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

Additional Compliance Information

(iii) Options, Warrants or Convertible Securities

There were no options, warrants and convertible securities issued during the financial year.

(iv) American Depository Receipt ("ADR") / Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR Programme during the financial year.

(v) Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

(vi) Non-audit Fees

The amount of non-audit fees incurred for the services rendered to the Group by the external auditors or a firm or company affiliated to the external auditors during the financial year was RM38,847.

(vii) Variance in Results

There was no variance between the results for the financial year and the unaudited results previously announced. The Company did not make any release on profit estimate, forecast or projection.

(viii) Profit Guarantee

The Company did not give any profit guarantee during the financial year.

(ix) 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.

(x) Revaluation Policy

The Group does not have a revaluation policy on landed properties.

Corporate Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY

The Group is mindful of its responsibility as a good corporate citizen and has always made Corporate Social Responsibility (CSR) an integral part of, and the way it conducts business. The Group emphasizes CSR on four (4) focal areas, namely Community, Workplace, Marketplace and Environment.

Community

The Group plays its role as a socially responsible corporate citizen in the community through various activities held with the aim of caring for the well-being of the society at large.

During the year, the Group supported charitable organizations that help children with special needs, orphans, underprivileged and physically-challenged community through donations (monetary and/or equipment) and sponsorships. The Group sponsored events and activities organized by non-profitable organizations and societies. The Group also hired fresh graduates of different disciplines and offered practical training for undergraduates from local institutions of higher learning and universities. Apart from the above, participation and staff volunteerism were seen in several other initiatives. The Group employees participated in community services such as visits to orphanage and welfare homes; volunteering free hair cut to the underprivileged children and orphans; participation in blood donation drive and etc.

Workplace

The Group is committed in its social responsibilities at the workplace via adherence to human rights in employment of staff with fair and equitable terms; emphasis on human capital development as well as health and safety aspects at the workplace.

Continuous learning and development programmes were carried out throughout the year to equip the staff with relevant skills, knowledge and experience which would enhance their competency and eventually add value to the Group. To provide a healthy lifestyle to the employees, various initiatives such as sports activities and social events were carried out with the support and commitment of the employees throughout the year. Health and safety awareness programmes for employees were also conducted during the year.

Corporate Social Responsibility

Marketplace

At the marketplace, the travel division of the Group-Mayflower, with its vision "To be Recognized As The Most Respected & Preferred Partner In The Travel Industry" is always supportive of the Government's efforts in promoting tourism in Malaysia by promoting green, eco-tourism products and environment-friendly packages to tourists. The Group also engages ethical procurement with relevant stakeholders-partners and suppliers who practise sustainable ethics, support the local community and provide economic benefits and rewards to local residents. During the year, Mayflower Group continued its efforts as a socially responsible corporate citizen in the marketplace by sponsoring events and activities on eco-tourism in conjunction with the "Visit Malaysia Year".

Wacoal Malaysia Sdn Bhd (Wacoal Malaysia), a joint-venture company of the Group, adopts social branding in discharging CSR at the marketplace via Wacoal's "Pink Ribbon" Campaign. The Campaign is run in October each year with the objective of creating awareness of breast cancer among women. During the year, Wacoal Malaysia continued its drive on "Pink Ribbon" Campaign and promotion of Breast Self-Examination with the aim of educating women in early detection of breast cancer that could save their lives. Wacoal Malaysia also assisted in fitting the right prosthesis for women breast cancer patients who have undergone mastectomy.

Environment

As an environmental socially responsible corporate citizen, the Group practises environmental preservation and strives to be environmental friendly in all things that it does.

Several initiatives such as recycling campaigns, air pollution controls, waste management and energy efficiency programmes were deployed by the Group during the year with the objective of preserving the environment.

Audit Committee Report

COMPOSITION AND MEETINGS

The composition of the Audit Committee (the "Committee") and the attendance of its members at the five (5) meetings held in the year are set out below:

Name	Designation	Attendance
Seow Thiam Fatt Independent Non-Executive Director	Chairman	5/5
Ismail bin Rautin Ibrahim Independent Non-Executive Director	Member	5/5
Ngu Ew Look Executive Director (resigned wef 14/11/2007)	Member	5/5
Dato Lee Eng Guan @ Lee Eng Yuan Non-Independent Non-Executive Director (appointed wef 14/11/2007)	Member	-
Chong Kwong Chin Independent Non-Executive Director (appointed wef 3/3/2008)	Member	-

TERMS OF REFERENCE

Membership

The Committee shall be appointed by the Board from amongst the Directors and shall be composed of no fewer than three (3) members. All the Committee members must be Non-Executive Directors, with a majority of them being Independent Directors.

The Committee shall include at least one (1) Director who is a member of the Malaysian Institute of Accountants or alternatively, a person who must have at least three (3) years working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one (1) of the associations specified in Part II of the said Schedule; or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

No Alternate Director shall be appointed a member of the Committee.

The members of the Committee shall elect a Chairman from among their number who shall be an Independent Director.

In the event of any vacancy in the Committee which results in a breach in the Listing Requirements of Bursa Securities, the vacancy must be filled within three (3) months.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years.

Audit Committee Report

Authority

The Committee is authorized by the Board, and at the cost of the Company, to:

1. investigate any matter within its Terms of Reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company or the Group;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
5. be able to obtain independent professional or other advice; and
6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees, whenever deemed necessary.

Functions

The functions of the Committee shall be, amongst others:

1. review the following and report the same to the Board:
    a. the nature and scope of the audit plan, the evaluation of the system of internal control and the audit report with the external auditors; the assistance given by the employees of the Company or Group to the external auditors;
    b. the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its works;
    c. the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendation of the internal audit function;
    d. the quarterly results and year end financial statements, prior to approval by the Board of Directors, focusing on:
        i. changes in or implementation of major accounting policies and practices;
        ii. significant audit adjustments from the external auditors;
        iii. the going concern assumption; and
        iv. compliance with accounting standards and other legal requirements;
    e. any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

2. consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
3. approve any appointment or termination of senior staff members of the internal audit function and review any appraisal or assessment of the performance of its members;
4. consider the major findings of internal investigations and management's response;
5. review the risk management framework adopted within the Group and satisfy that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a timely manner which result in minimizing losses and maximizing opportunities of the Group;
6. any other function as may be required by the Board from time to time.

Audit Committee Report

Conduct of Meetings

The Chairman shall call for meetings to be held not less than four (4) times in a year. Any member of the Committee may at any time, and the Secretary shall on requisition of the member, summon a meeting.

Except in the case of an emergency, seven (7) days notice of meeting shall be given in writing to all members.

A quorum of meeting shall be a majority of Independent Directors. Meeting shall be chaired by the Chairman, and in his absence, by an Independent Director.

Decision shall be made by a majority of votes.

The Head of Finance, Head of Internal Audit and the Company Secretary shall normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Committee. A representative of the external auditors shall attend the meeting to consider the final audited financial statements and such other meetings determined by the Committee.

The Chairman shall exercise 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 needed to be preserved.

Reporting Procedure

The Company Secretary shall record the proceeding of meetings. Minutes shall be circulated to all members of the Board.

The Committee shall prepare, for the Board and for inclusion in the Company's annual report, a summary of its activities in the discharge of its functions and duties for the financial year.

The Committee may report to the stock exchange of a matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

Audit Committee Report

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

In discharging its responsibilities for the financial year, the Committee, in particular:

* reviewed the quarterly and year end financial statements and made recommendations to the Board.
* deliberated over the internal audit and compliance reports.
* reviewed and assisted in the development and implementation of sound and effective internal control and business system within the Group.
* reviewed the external auditors' scope of work and audit plan for the year.
* discussed and reviewed with the external auditors the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit.
* reviewed the Company's compliance with regards to the Listing Requirements of the Bursa Securities and compliance with updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
* reviewed the related party transactions of the Company and the Group to ensure that all such transactions are reflected in the annual report.
* reviewed the key risks and their related control strategies of the Group.

INTERNAL AUDIT FUNCTION

The Committee is supported by Systems & Internal Audit Department, which reports functionally to the Committee and is independent of the activities they audit.

During the financial year, the Systems & Internal Audit Department carried out, inter alia, the following activities:

* formulated and agreed with the Committee on the audit plan, strategy and scope of work.
* reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system.
* analyzed and assessed certain key business processes, report findings, and made recommendations to improve their effectiveness and efficiency.
* other ongoing assurance and advisory work to the Board and management.

The Systems & Internal Audit Department also assists the Risk Management Committee to compile the key factors in identifying, evaluating and mitigating the risks of the Group.

Shareholders' Statistics

as at 31 March 2008

SHARE CAPITAL

Authorised	:	RM100,000,000
Issued and Fully Paid-up	:	RM67,200,000
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS AS AT 31 MARCH 2008

Size of Holdings	No. of Holders	%	No. of Shares Held	%
1 - 99	2,314	31.20	112,096	0.17
100 - 1,000	3,899	52.57	1,342,889	2.00
1,001 - 10,000	986	13.29	3,407,999	5.07
10,001 - 100,000	161	2.17	5,299,578	7.89
100,001 - 3,359,999	55	0.74	31,057,305	46.21
3,360,000 and above	2	0.03	24,953,333	37.13
Sub-Total	7,417	100.00	66,173,200	98.47
Treasury shares			1,026,800	1.53
Total	**7,417**	**100.00**	**67,200,000**	**100.00**

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

	Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%[2]
1.	Dato' Tan Heng Chew	802,033	1.21	29,426,302	44.47[1]
2.	Dato' Lee Eng Guan @ Lee Eng Yuan	8,000	0 .01	-	-
3.	Ngu Ew Look	10,000	0.02	-	-
4.	Yeoh Keong Lian	5,000	0.01	-	-
5.	Dato' Haji Nadzam bin Haji Mohd Din	95,050	0.14	-	-
6.	Seow Thiam Fatt	6,000	0.01	-	-
7.	Ismail bin Rautin Ibrahim	-	-	-	-
8.	Datuk Abdullah bin Abdul Wahab	-	-	-	-
9.	Chong Kwong Chin	-	-	-	-
10.	Lim Hong Juay	-	-	-	-

Notes:

(1) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Parasand Limited pursuant to Section 6A of the Companies Act 1965, and interest of spouse by virtue of Section 134(12)(c) of the Companies Act, 1965.

(2) Excluding a total of 1,026,800 shares bought back by the Company and retained as treasury shares as at 31 March 2008.

Shareholders' Statistics

as at 31 March 2008

SUBSTANTIAL SHAREHOLDERS
(as per Register of Substantial Shareholders)

	Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%[7]
1.	Tan Chong Consolidated Sdn Bhd	15,213,333	22.99	13,440,000	20.31[1]
2.	Parasand Limited	13,440,000	20.31	-	-
3.	Dato' Tan Heng Chew	802,033	1.21	28,653,333	43.30[2]
4.	Tan Eng Soon	70,000	0.11	28,653,333	43.30[2]
5.	Dato' Tan Kim Hor	153,742	0.23	28,653,333	43.30[2]
6.	Dato' Tan Boon Pun	21	-[6]	28,653,347	43.30[3]
7.	Dr. Tan Kang Leong	500	-[6]	28,653,333	43.30[2]
8.	Tan Kheng Leong	13,500	0.02	28,653,333	43.30[2]
9.	Dato' Tan Hoe Pin	8,000	0.01	28,653,333	43.30[2]
10.	Tan Beng Keong	1,000	-[6]	28,653,333	43.30[2]
11.	Dr. Tan Ban Leong	30,000	0.05	28,653,333	43.30[2]
12.	Tan Chee Keong	15,000	0.02	28,653,333	43.30[2]
13.	Yeoman Capital Management Pte Ltd	125,000	0.19	4,750,000	7.18[4]
14.	Yeo Seng Chong	30,000	0.05	4,875,000	7.37[5]
15.	Lim Mee Hwa	225,000	0.34	4,875,000	7.37[5]

Notes:

(1) Deemed interests by virtue of interest in Parasand Limited pursuant to Section 6A of the Companies Act, 1965.
(2) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Parasand Limited pursuant to Section 6A of the Companies Act, 1965.
(3) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd, Parasand Limited and Progroup Nominees Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(4) Deemed interest by virtue of its role as investment manager for clients pursuant to Section 6A of the Companies Act, 1965.
(5) Deemed interest by virtue of interest in Yeoman Capital Management Pte Ltd pursuant to Section 6A of the Companies Act, 1965.
(6) Less than 0.01%.
(7) Excluding a total of 1,026,800 shares bought back by the Company and retained as treasury shares as at 31 March 2008.

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
1	Parasand Limited	13,440,000	20.3103
2	Tan Chong Consolidated Sdn Bhd	11,513,333	17.3988
3	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt AN for British And Malayan Trustees Limited (Yeoman 3-Rights)*	2,375,000	3.5891
4	Cartaban Nominees (Asing) Sdn Bhd *SCBHK for Platinum Broking Company Limited-Client a/c*	2,300,000	3.4757
5	Mayban Nominees (Tempatan) Sdn Bhd *Tan Chong Consolidated Sdn Bhd (N14011984860)*	2,250,000	3.4002
6	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Queensland Investment Corporation*	2,250,000	3.4002

Shareholders' Statistics

as at 31 March 2008

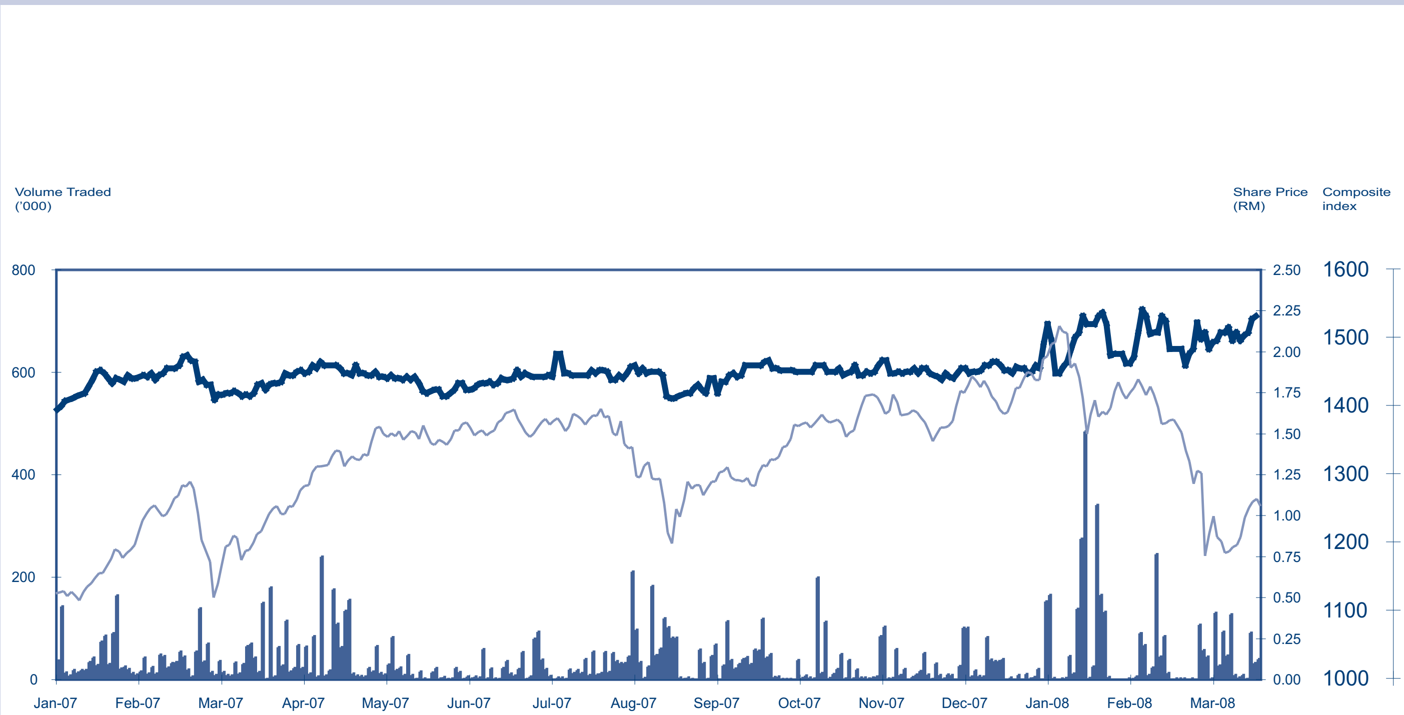
THIRTY LARGEST SHAREHOLDERS *(continued)*

	Name	No. of Shares Held	%*
7	M & A Securities Sdn Bhd *IVT (B)*	1,912,300	2.8898
8	Tan Boon Hooi	1,516,671	2.2920
9	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Austral International Holdings Limited*	1,396,100	2.1098
10	Key Development Sdn Berhad	1,130,000	1.7076
11	HSBC Nominees (Asing) Sdn Bhd *RBS Coutts SG for Cyber Structure Ltd*	1,100,000	1.6623
12	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Drylon Holdings Limited*	1,000,000	1.5112
13	Cimsec Nominees (Tempatan) Sdn Bhd *Allied Investments Limited for Tan Chong Consolidated Sdn Bhd*	1,000,000	1.5112
14	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Haveling Estates Limited*	900,000	1.3601
15	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Noble Pacific Mutual Fund Limited*	774,000	1.1696
16	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Khor Swee Wah @ Koh Bee Leng (MM1208)*	772,969	1.1681
17	Wong Yu @ Wong Wing Yu	730,000	1.1032
18	Gan Teng Siew Realty Sdn Berhad	692,500	1.0465
19	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd *Kim Eng Securities Pte Ltd for Lem Kim Wan @ Lim Hong Gee*	602,700	0.9108
20	Chinchoo Investment Sdn Berhad	583,700	0.8821
21	M & A Nominee (Asing) Sdn Bhd *Pedigree Limited*	484,000	0.7314
22	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chong Consolidated Sdn Bhd (014011528927)*	450,000	0.6800
23	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Tan Heng Chew (MM1063)*	442,700	0.6690
24	Rengo Malay Estate Sendirian Berhad	330,000	0.4987
25	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Koh Bee Hoon (M1208B)*	330,000	0.4987
26	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)*	312,755	0.4726
27	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (473963)*	271,900	0.4109
28	Associated Abrasives Sdn Bhd	270,700	0.4091
29	Chinchoo Investment Sdn Berhad	263,000	0.3974
30	Tan Boon Siong	250,043	0.3778
	TOTAL	**51,644,371**	**78.0442**

Note:

* *Excluding a total of 1,026,800 shares bought back by the Company and retained as treasury shares as at 31 March 2008.*

Share Price And Volume Traded



Volume Traded
(Number of shares traded for the day)

Share Price
(closing price for the day)

Bursa Malaysia Securities Berhad Composite Index
(closing index for the day)

Group Properties

as at 31 December 2007

Location	Description	Land Area (sq. feet)	Built-up Area (sq. feet)	Tenure/ Expiry 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 storage yard	17,574	18,160	Leasehold 16.6.2067	1.7	31	1.10.1977	1984
Lot 9 Jalan Delima 1/1 Subang Hi Tech Indutrial Park 40000 Shah Alam Selangor	Showroom, office, workshop & vehicle storage yard	98,349	53,766	Freehold	4.3	15	20.12.1990	-
43 Jalan IMJ 3 Taman Industry Malim Jaya 75050 Melaka	Office and workshop	11,087	3,700	Leasehold 18.11.2095	0.4	11	12.12.1996	-
19 Jalan Bertam 8 Taman Daya 81100 Johor Bahru, Johor	Office and workshop	8,456	7,553	Freehold	0.7	15	20.5.2000	-
Lot 1A Jalan Kemajuan Section 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2058	10.9	33	10.9.2004	2007
Lot 29 Jalan Delima 1/3 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop and vehicle storage yard	125,871	40,808	Freehold	7.7	15	2.3.2004	-
Lot 22, Ground Floor Wisma Sabah Jalan Tun Razak 88000 Kota Kinabalu Sabah	Office lot	-	595	Leasehold 31.12.2072	0.3	30	23.10.2002	-
No 3 Jalan Perusahaan Perkhidmatan Pengkalan Taman Pengkalan Maju 34700 Simpang Taiping Perak	Office building annexed with factory	72,646	57,464	Freehold	2.9	7	5.4.2007	-

Statement On Directors' Reponsibility For Preparing The Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and their results for the financial year.

In preparing the financial statements for the year ended 31 December 2007, 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, 1965 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, 1965. 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.

Financial Statements

Directors' Report

for the year ended 31 December 2007

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiary companies are indicated in note 6 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit attributable to shareholders of the Company	16,939	78,502
Unappropriated profit brought forward	173,777	30,628
Profit available for appropriation	190,716	109,130
Dividends	(4,371)	(4,371)
Unappropriated profit carried forward	186,345	104,759

DIVIDENDS

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

	RM
In respect of the financial year ended 31 December 2006, as proposed in the Directors' Report for that year:	
- final dividend of 5% less tax at 27%	2,431,620
In respect of the financial year ended 31 December 2007:	
- an interim dividend of 4 % less tax at 27%	1,938,908
	4,370,528

The Directors propose the payment of a final dividend of 5% less 26% tax in respect of the financial year ended 31 December 2007.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statement of changes in equity set out on pages 51 and 56.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

TREASURY SHARES

At the Annual General Meeting ("AGM") held on 17 May 2006, shareholders approved the share buy-back of up to 10% or up to 6,720,000 of the Company's issued ordinary shares of RM1.00 each. The authority from shareholders was renewed for one year at the AGM held on 16 May 2007 and will expire at the conclusion of the forthcoming AGM.

At 31 December 2007, treasury shares held by the Company were as follows:

Year of buy-back	No. of Ordinary shares	Average price per share RM	Total Cost RM
2006	158,100	1.70	268,636
2007	799,200	1.85	1,476,109
	957,300		1,744,745

DIRECTORS

The Directors in office since the date of the last report are:

Dato' Tan Heng Chew
Dato' Lee Eng Guan @ Lee Eng Yuan
Ngu Ew Look
Yeoh Keong Lian
Dato' Haji Nadzam bin Haji Mohd Din
Ismail bin Rautin Ibrahim
Seow Thiam Fatt
Datuk Abdullah bin Abdul Wahab (appointed on 3.3.2008)
Chong Kwong Chin (appointed on 3.3.2008)
Lim Hong Juay (appointed on 3.3.2008)

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings required to be kept under section 134 of the Companies Act, 1965, the Directors' interests in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each				
	At 1-1-2007	Additional	Transfer	Disposal	At 31-12-2007
Dato' Tan Heng Chew					
- direct interest	681,483	82,850	(50,000)	-	714,333
- indirect interest	28,653,333	-	-	-	28,653,333^
- indirect interest	722,969#	-	50,000	-	772,969
Dato' Lee Eng Guan @ Lee Eng Yuan					
- direct interest	8,000	-	-	-	8,000
Ngu Ew Look					
- direct interest	10,000	-	-	-	10,000
Yeoh Keong Lian					
- direct interest	5,000	-	-	-	5,000
Dato' Haji Nadzam bin Haji Mohd Din					
- direct interest	95,050	-	-	-	95,050
Seow Thiam Fatt					
- direct interest	6,000	-	-	-	6,000

^ Indirect interest pursuant to Section 6A of the Companies Act, 1965.

Restated to include disclosure of interest held by spouse pursuant to Section 134(12)(c) of the Companies Act, 1965 which came into force on 15 August 2007.

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

The other Director holding office at 31 December 2007 did not have any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

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 emoluments received or due and receivable by the Directors as shown in the financial statements of the Group, the Company and/or its related corporations) by reason of a contract made by the Company or a related corporation with the 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, other than a Director who has significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and rental expense payable to companies in which the Director concerned has significant financial interests and is disclosed in Note 30 to the financial statements.

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 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain the action 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 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 their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

(b) 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.

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

   (i) any charge on the assets of the Company or its subsidiary companies 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 Company or its subsidiary companies which has arisen since the end of the financial year.

(d) No contingent or other liability of the Company or its subsidiary companies 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 subsidiary companies to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION *(continued)*

(e) 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.

(f) 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

The auditors, Moores Rowland, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a Directors' resolution dated 7 April 2008.

NGU EW LOOK
Director

YEOH KEONG LIAN
Director

Report Of The Auditors To The Members Of

Warisan TC Holdings Berhad

We have audited the financial statements of the Group and of the Company set out on pages 45 to 106, except for pages 48 to 50 which are expressed in USD equivalent.

These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Group and of the Company for the year ended 31 December 2006 which form the basis of the comparative figures were audited by another firm of auditors whose report dated 6 April 2007 expressed an unqualified opinion.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities so as to give a true and fair view of:

    (i) the state of affairs of the Group and of the Company as at 31 December 2007 and of their results and cash flows for the year ended on that date; and

    (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of Warisan Captive Incorporated and Mayflower (Labuan) Pte Ltd, being the subsidiary companies of which we have not acted as auditors.

Report Of The Auditors To The Members Of

Warisan TC Holdings Berhad

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification, and in respect of subsidiary companies incorporated under the Companies Act, 1965, did not include any comment made under Section 174 (3) of the Act.

MOORES ROWLAND
No. AF: 0539
Chartered Accountants

TANG KIN KHEONG
No. 1501/9/09 (J/PH)
Partner

Kuala Lumpur
7 April 2008

Consolidated Balance Sheet

31 December 2007

	Note	2007 RM'000	2006 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*3*	**106,834**	97,957
Prepaid lease payments	*5*	**10,413**	10,618
Investment in jointly controlled entities	*7*	**25,982**	23,122
Other investments	*8*	**10**	10
Finance lease receivables	*9*	**4,902**	4,185
Deferred tax assets	*10*	**472**	857
Intangible assets	*11*	**606**	606
		149,219	137,355
CURRENT ASSETS			
Inventories	*12*	**44,828**	39,922
Trade and other receivables	*13*	**52,131**	46,092
Current tax assets		**2,033**	1,557
Fixed deposits	*14*	**38,641**	40,630
Cash and bank balances		**14,374**	7,191
		152,007	135,392
TOTAL ASSETS		**301,226**	272,747
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*15*	**67,200**	67,200
Share premium		**615**	615
Treasury shares	*16*	**(1,745)**	(269)
Merger reserve		**(41,614)**	(41,614)
Translation reserve		**(297)**	(133)
Unappropriated profit		**186,345**	173,777
Total equity attributable to shareholders of the Company		**210,504**	199,576
Minority interests		**152**	477
TOTAL EQUITY		**210,656**	200,053

Consolidated Balance Sheet

31 December 2007

	Note	2007 RM'000	2006 RM'000
NON-CURRENT LIABILITIES			
Bank term loans (unsecured)	*17*	**2,165**	8 ,501
Retirement benefit obligations	*18*	**465**	469
Deferred tax liabilities	*19*	**7,256**	6,452
		9,886	15,422
CURRENT LIABILITIES			
Trade and other payables	*20*	**48,692**	32,808
Bank borrowings	*21*	**29,256**	21,862
Current tax liabilities		**2,736**	2,602
		80,684	57,272
TOTAL LIABILITIES		**90,570**	72,694
TOTAL EQUITY AND LIABILITIES		**301,226**	272,747

Notes to and forming part of the financial statements are set out on pages 59 to 106
Auditors' Report - Pages 43 and 44

Consolidated Income Statement

31 December 2007

	Note	2007 RM'000	2006 RM'000
Gross revenue	22	**269,365**	216,195
Cost of sales		**(213,376)**	(168,854)
Gross profit		**55,989**	47,341
Other operating income		**2,882**	10,229
Selling and distribution costs		**(25,502)**	(22,977)
Administrative and general expenses		**(18,749)**	(16,026)
Profit from operations	23	**14,620**	18,567
Net profit from investing activities	24	**1,384**	1,588
Share of profit after tax of jointly controlled entities		**5,134**	3,736
Finance costs	25	**(1,457)**	(1,461)
Profit before tax		**19,681**	22,430
Tax expense	26	**(3,067)**	(2,369)
Net profit for the year		**16,614**	20,061
Attributable to:			
Shareholders of the Company		**16,939**	20,189
Minority interests		**(325)**	(128)
		16,614	20,061
Basic earnings per share (sen)	27	**25.4**	30.1
Dividend per share (net of tax) (sen)	28	**6.6**	8.3

Notes to and forming part of the financial statements are set out on pages 59 to 106
Auditors' Report - Pages 43 and 44

Consolidated Balance Sheet

31 December 2007 (In USD equivalent)

	2007 USD'000	2006 USD'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	**32,276**	27,750
Prepaid lease payments	**3,146**	3,008
Investment in jointly controlled entities	**7,849**	6,550
Other investments	**3**	3
Finance lease receivables	**1,481**	1,186
Deferred tax assets	**143**	243
Intangible assets	**183**	172
	45,081	38,912
CURRENT ASSETS		
Inventories	**13,543**	11,309
Trade and other receivables	**15,750**	13,057
Current tax assets	**614**	441
Fixed deposits	**11,674**	11,510
Cash and bank balances	**4,343**	2,037
	45,924	38,354
TOTAL ASSETS	**91,005**	77,266
EQUITY AND LIABILITIES		
EQUITY		
Share capital	**20,302**	19,037
Share premium	**186**	174
Treasury shares	**(527)**	(76)
Merger reserve	**(12,572)**	(11,789)
Translation reserve	**(90)**	(37)
Unappropriated profit	**56,297**	49,229
Total equity attributable to shareholders of the Company	**63,596**	56,538
Minority interests	**46**	135
TOTAL EQUITY	**63,642**	56,673

Consolidated Balance Sheet

31 December 2007 (In USD equivalent)

	2007 USD'000	2006 USD'000
NON-CURRENT LIABILITIES		
Bank term loans (unsecured)	**654**	2,408
Retirement benefit obligations	**141**	133
Deferred tax liabilities	**2,192**	1,828
	2,987	4,369
CURRENT LIABILITIES		
Trade and other payables	**14,710**	9,294
Bank borrowings	**8,839**	6 ,193
Current tax liabilities	**827**	737
	24,376	16,224
TOTAL LIABILITIES	**27,363**	20,593
TOTAL EQUITY AND LIABILITIES	**91,005**	77,266

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2007 and 2006 are converted into USD equivalent using exchange rates of RM3.31 = USD1.00 and RM3.53 = USD1.00 respectively which approximate that prevalling on the balance sheet dates.

Consolidated Income Statement

for the year ended 31 December 2007 (In USD equivalent)

	2007 USD'000	2006 USD'000
Gross revenue	**81,379**	61,245
Cost of sales	**(64,464)**	(47,834)
Gross profit	**16,915**	13,411
Other operating income	**871**	2,898
Selling and distribution costs	**(7,705)**	(6,509)
Administrative and general expenses	**(5,664)**	(4,540)
Profit from operations	**4,417**	5,260
Net profit from investing activities	**418**	450
Share of profit after tax of jointly controlled entities	**1,551**	1,058
Finance costs	**(440)**	(414)
Profit before tax	**5,946**	6,354
Tax expense	**(927)**	(671)
Net profit for the year	**5,019**	5,683
Attributable to:		
Shareholders of the Company	**5,117**	5,719
Minority interests	**(98)**	(36)
	5,019	5,683
Basic earnings per share (cents)	**7.7**	8.5
Dividend per share (net of tax) (cents)	**2.0**	2.4

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2007 and 2006 are converted into USD equivalent using exchange rates of RM3.31 = USD1.00 and RM3.53 = USD1.00 respectively which approximate that prevalling on the balance sheet dates.

Consolidated Statement Of Changes In Equity

for the year ended 31 December 2007

	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Unappropriated profit RM'000	Total RM'000	Minority Interest RM'000	Total equity RM'000
		Attributable to shareholders of the Company								
		Non-distributable					Distributable			
At 1 January 2006		67,200	615	-	(41,614)	(12)	159,178	185,367	605	185,972
Net loss not recognised in the income statement - Foreign exchange translation		-	-	-	-	(121)	-	(121)	-	(121)
Net profit for the year		-	-	-	-	-	20,189	20,189	(128)	20,061
Treasury shares acquired		-	-	(269)	-	-	-	(269)	-	(269)
Dividends paid	*28*	-	-	-	-	-	(5,590)	(5,590)	-	(5,590)
At 31 December 2006		67,200	615	(269)	(41,614)	(133)	173,777	199,576	477	200,053
Net loss not recognised in the income statement - Foreign exchange translation		-	-	-	-	(164)	-	(164)	-	(164)
Net profit for the year		-	-	-	-	-	16,939	16,939	(325)	16,614
Treasury shares acquired		-	-	(1,476)	-	-	-	(1,476)	-	(1,476)
Dividends paid	*28*	-	-	-	-	-	(4,371)	(4,371)	-	(4,371)
At 31 December 2007		**67,200**	**615**	**(1,745)**	**(41,614)**	**(297)**	**186,345**	**210,504**	**152**	**210,656**

Notes to and forming part of the financial statements are set out on pages 59 to 106
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Consolidated Cash Flow Statement

for the year ended 31 December 2007

	2007 RM'000	2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**19,681**	22,430
Adjustments for:		
Allowance for doubtful debts, net of write backs	**337**	176
Amortisation of prepaid lease payments	**205**	202
Bad debt written off	**8**	28
Deposit written off	**14**	-
Depreciation	**21,174**	20,949
Gain on disposal of property, plant and equipment	**(1,186)**	(6,939)
Interest expense	**1,457**	1,461
Interest income	**(1,384)**	(1,588)
Inventory written off/down	**1,538**	192
Property, plant and equipment written off	**268**	574
Retirement benefits	**146**	132
Share of profit of jointly controlled entities	**(5,134)**	(3,736)
Unrealised loss on foreign exchange (net)	**31**	48
Operating profit before working capital changes	**37,155**	33,929
Changes in inventories	**(6,834)**	(4,738)
Changes in receivables	**(7,054)**	(2,708)
Changes in payables	**15,791**	3,918
Cash generated from operations	**39,058**	30,401
Tax paid, net of refunds	**(2,219)**	(3,528)
Retirement benefits paid	**(150)**	(60)
Net cash from operating activities	**36,689**	26,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(34,851)**	(27,215)
Proceeds from disposal of property, plant and equipment	**5,718**	20,361
Interest received	**1,384**	1,588
Dividends received from jointly controlled entities	**2,664**	600
Net cash used in investing activities	**(25,085)**	(4,666)

Consolidated Cash Flow Statement

for the year ended 31 December 2007

	2007 RM'000	2006 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Bankers' acceptances (net)	**7,710**	(15,069)
Repayment of term loans	**(6,871)**	(6,811)
Dividends paid	**(4,371)**	(5,590)
Interest paid	**(1,457)**	(1,461)
Treasury shares acquired	**(1,476)**	(269)
Net cash used in financing activities	**(6,465)**	(29,200)
NET CHANGES IN CASH AND CASH EQUIVALENTS	**5,139**	(7,053)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**47,746**	54,920
Foreign exchange difference	**(164)**	(121)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**52,721**	47,746
Represented by:		
CASH AND BANK BALANCES	**14,374**	7,191
FIXED DEPOSITS (excluding deposits pledged)	**38,566**	40,555
BANK OVERDRAFT	**(219)**	-
	52,721	47,746

Notes to and forming part of the financial statements are set out on pages 59 to 106
Auditors' Report - Pages 43 and 44

Balance Sheet

31 December 2007

	Note	2007 RM'000	2006 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*3*	**912**	1,071
Investment properties	*4*	**14,200**	12,000
Investment in subsidiary companies	*6*	**86,498**	72,559
Investment in jointly controlled entities	*7*	**24,568**	24,568
Deferred tax assets	*10*	**87**	134
		126,265	110,332
CURRENT ASSETS			
Trade and other receivables	*13*	**33,118**	4,202
Current tax assets		**747**	726
Fixed deposits	*14*	**26,852**	31,733
Cash and bank balances		**1,039**	411
		61,756	37,072
TOTAL ASSETS		**188,021**	147,404
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*15*	**67,200**	67,200
Treasury shares	*16*	**(1,745)**	(269)
Revaluation reserve		**930**	930
Unappropriated profit		**104,759**	30,628
TOTAL EQUITY		**171,144**	98,489
NON-CURRENT LIABILITIES			
Retirement benefit obligations	*18*	**77**	57
CURRENT LIABILITIES			
Trade and other payables	*20*	**16,800**	48,858
TOTAL LIABILITIES		**16,877**	48,915
TOTAL EQUITY AND LIABILITIES		**188,021**	147,404

Notes to and forming part of the financial statements are set out on pages 59 to 106
Auditors' Report - Pages 43 and 44

Income Statement

for the year ended 31 December 2007

	Note	2007 RM'000	2006 RM'000
Gross revenue	*22*	**848**	845
Other operating income		**581**	395
Administrative and general expenses		**(17,964)**	(3,508)
Loss from operations	*23*	**(16,535)**	(2,268)
Net profit from investing activities	*24*	**129,190**	21,708
Finance costs	*25*	**(758)**	(946)
Profit before tax		**111,897**	18,494
Tax expense	*26*	**(33,395)**	(4,824)
Net profit for the year		**78,502**	13,670

Notes to and forming part of the financial statements are set out on pages 59 to 106
Auditors' Report - Pages 43 and 44

Statement Of Changes In Equity

for the year ended 31 December 2007

	Note	Non-distributable Share capital RM'000	Non-distributable Treasury shares RM'000	Non-distributable Revaluation reserve RM'000	Distributable Unappropriated profit RM'000	Total RM'000
At 1 January 2006		67,200	-	930	22,548	90,678
Treasury shares acquired		-	(269)	-	-	(269)
Net profit for the year		-	-	-	13,670	13,670
Dividends paid	*28*	-	-	-	(5,590)	(5,590)
At 31 December 2006		67,200	(269)	930	30,628	98,489
Treasury shares acquired		-	(1,476)	-	-	(1,476)
Net profit for the year		-	-	-	78,502	78,502
Dividends paid	*28*	-	-	-	(4,371)	(4,371)
At 31 December 2007		**67,200**	**(1,745)**	**930**	**104,759**	**171,144**

Notes to and forming part of the financial statements are set out on pages 59 to 106
Auditors' Report - Pages 43 and 44

Cash Flow Statement

for the year ended 31 December 2007

	2007 RM'000	2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**111,897**	18,494
Adjustments for:		
Depreciation	**402**	411
Dividend income	**(125,947)**	(20,544)
Fair value adjustment on investment properties	**(2,200)**	-
Gain on disposal of property, plant and equipment	**(23)**	-
Impairment in value of investment in subsidiary companies	**14,392**	228
Interest income	**(1,043)**	(1,164)
Interest expense	**758**	946
Retirement benefits	**20**	18
Operating loss before working capital changes	**(1,744)**	(1,611)
Changes in receivables	**(28,916)**	(2,070)
Changes in payables	**(32,058)**	(9,482)
Cash utilised in operations	**(62,718)**	(13,163)
Tax refunded	**367**	245
Retirement benefits paid	**-**	(2)
Net cash used in operating activities	**(62,351)**	(12,920)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(280)**	(1,235)
Proceeds from disposal of property, plant and equipment	**60**	105
Acquisition of additional shares in subsidiary companies	**(28,331)**	(309)
Interest received	**1,043**	1,164
Dividends received from subsidiary companies	**91,846**	15,100
Dividends received from jointly controlled entities	**365**	-
Net cash from investing activities	**64,703**	14,825

Cash Flow Statement

for the year ended 31 December 2007

	2007 RM'000	2006 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(758)**	(946)
Dividends paid	**(4,371)**	(5,590)
Treasury shares acquired	**(1,476)**	(269)
Net cash used in financing activities	**(6,605)**	(6,805)
NET CHANGES IN CASH AND CASH EQUIVALENTS	**(4,253)**	(4,900)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**32,144**	37,044
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**27,891**	32,144
Represented by:		
CASH AND BANK BALANCES	**1,039**	411
FIXED DEPOSITS	**26,852**	31,733
	27,891	32,144

Notes to and forming part of the financial statements are set out on pages 59 to 106
Auditors' Report - Pages 43 and 44

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with applicable approved accounting standards for entities other than private entities, namely, Financial Reporting Standards ("FRSs"), issued by the Malaysian Accounting Standards Board and with the provisions of the Companies Act, 1965.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value, revalued amount and fair value. Estimates are used in measuring these values.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

(b) Changes in accounting policies

The significant accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following revised FRSs which are relevant to the Group's and the Company's operations and effective for financial periods beginning on or after 1 October 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above FRSs has not had significant financial impact on the Group and the Company.

(c) New/Revised FRSs that are not yet effective

The Group and the Company have not opted for early adoption of the following new/revised FRSs that have been issued and relevant to their operations but which are only effective for financial periods beginning on or after 1 July 2007:

Amendment to FRS 121	:	The Effect of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 107	:	Cash Flow Statements
FRS 112	:	Income Taxes
FRS 118	:	Revenue
FRS 134	:	Interim Financial Reporting
FRS 137	:	Provisions, Contingent Liabilities and Contingent Assets

The Group and the Company will adopt these FRSs from the financial year beginning 1 January 2008.

The adoption of the above FRSs is not expected to have any significant financial impact on the Group and the Company.

The Company has also not opted for early adoption of FRS 139 : Financial Instruments : Recognition and Measurement, the effective date of which has yet to be announced by the Malaysian Accounting Standards Board.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations of 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.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

Depreciation

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 - 55 years for buildings and within 2 to 10 years for other property, plant and equipment.

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 Company's property, plant and equipment as at 31 December 2007 were RM106,834,000 and RM912,000 (2006 : RM97,957,000 and RM1,071,000) respectively.

Estimation of the fair value of investment properties

The Company determines the fair value of its investment property based on a valuation carried out by an independent firm of professional valuers on the open market value basis.

Provision for stock obsolescence and 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 will make a provision for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Significant accounting judgements and estimates *(continued)*

Provision for stock obsolescence and inventories write down *(continued)*

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 provisions for slow moving inventories may be required.

The carrying amount of the Group's inventories as at 31 December 2007 was RM44,828,000 (2006 : RM39,922,000).

Allowance for doubtful debts

The collectibility of receivables is assessed on an ongoing basis. An allowance for doubtful debts is made for any receivables considered to be doubtful of collection.

The allowance for doubtful debts is made based on a review of customer accounts as at the balance sheet date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2007 were RM52,131,000 and RM33,118,000 (2006 : RM46,092,000 and RM4,202,000) respectively

Impairment of goodwill

The Group determines whether goodwill is impaired at least once a year or more frequently if events of changes in circumstances indicate that the goodwill may be impaired. 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.

The net carrying amount of the Group's goodwill as at 31 December 2007 was RM606,000 (2006 : RM606,000).

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.

Deferred tax assets are 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 loses can be utilised.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Significant accounting judgements and estimates *(continued)*

Income taxes *(continued)*

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

The carrying amounts of the Group's and the Company's tax assets as at 31 December 2007 were RM2,505,000 and RM834,000 (2006 : RM2,414,000 and RM860,000) respectively.

The carrying amount of the Group's tax liabilities as at 31 December 2007 was RM9,992,000 (2006 : RM9,054,000).

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses.

Revalued property, plant and equipment

It is the Group's policy to state property, plant and equipment at cost. The revaluation of certain properties in 1984 was carried out primarily for the purpose of issuing bonus shares and was not intended to effect a change in the accounting policy to one of revaluation of properties.

In accordance with the transitional provisions of FRS 116 - Property, Plant and Equipment, the valuation of these properties have not been updated and they continue to be stated at their existing carrying amounts less accumulated depreciation.

The Directors are of the opinion that the current market values of the revalued properties are not less than their net book values as at 31 December 2007.

(ii) Subsequent costs and disposals

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Property, plant and equipment *(continued)*

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not amortised. Buildings erected on leasehold land are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives are as follows:

Buildings	50 - 55 years
Plant, machinery and equipment	2 - 7 years
Equipment for hire	3 - 5 years
Furniture, fixtures, fittings and office equipment	3 - 7 years
Renovation	3 - 4 years
Coaches, motor vehicles for hire and other motor vehicles	4 - 10 years
Cars for hire	4 - 5 years
Boats, rafts and cabin	7 - 10 years

The depreciable amount is determined after deducting the residual value.

The depreciation method, useful lives and residual values are reviewed and adjusted if appropriate, at each balance sheet date.

(iv) Changes in estimates

The residual values of certain cars for hire were revised upwards during the year. Simultaneously, the estimated useful lives of these cars were also shortened to 4 - 5 years, from 5 - 7 years previously. These revisions were made to more fairly reflect the actual frequency of car replacements and the residual values at the time cars were disposed of.

These revisions in estimates have reduced the depreciation charge for the year by RM1,548,950.

(f) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Prepaid lease payments

Leasehold land that has title that is not expected to pass to the Group by the end of the lease term is classified as operating lease. The up-front payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less amounts amortised.

The prepaid lease payments are amortised on a straight-line basis over the remaining period of the lease.

(h) Assets leased to customers

Assets leased to customers under agreements where the Group retains risks and rewards associated with ownership of these assets are classified as leased assets. These leased assets are accounted for in accordance with the Group's policy on depreciation as disclosed in Note 1(e) above.

(i) Subsidiary companies

A subsidiary company is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether the Company has the power to govern the financial and operating policies of an entity.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amounts of the subsidiary company disposed of is taken to the income statement.

(j) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting policies for like transactions in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

Except for those subsidiary companies indicated in Note 6 which are consolidated on the merger method of accounting, all subsidiary companies are consolidated on the purchase method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

In respect of subsidiary consolidated under the merger method of accounting, the Group has chosen to adopt the provisions of FRS 3 - Business Combinations prospectively, as permitted under the transitional provisions of FRS 3. Accordingly, the effects of the merger method of accounting under Malaysian Accounting Standard No. 2 have been retained.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Basis of consolidation *(continued)*

Under the purchase method of accounting, the cost of an acquisition is measured as the aggregate of the fair values of the assets given, liabilities incurred or assumed and equity instruments issued at the date of exchange, plus any costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date.

The excess of the acquisition cost over the fair values of the identifiable assets, liabilities, contingent liabilities acquired is retained in the balance sheet as goodwill, while the shortfall is immediately credited to the consolidated income statement. The goodwill is accounted for in accordance with the accounting policy set out in (o)(i) below.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the balance sheet.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is tested for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

Minority interests represent the portion of the profit or loss and net assets of subsidiary companies not held by the Group.

(k) Jointly controlled entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the jointly controlled entity disposed of is taken to the income statement.

(l) Other investments

Other investments are stated at cost. An allowance for diminution in value is made if the Directors are of the opinion that there is a decline in the value of such investments which is other than temporary. The diminution in value is charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed of is taken to the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on either the specific identification or weighted average basis, depending on the nature of the inventories. Cost comprises the landed cost of goods purchased, and in the case of finished goods and work-in-progress, includes an appropriate proportion of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(n) Receivables

Receivables are stated at anticipated realisable values. Known bad debts are written off and an estimate is made for doubtful debts based on a review of customer accounts at the balance sheet date.

(o) Impairment of assets

(i) Goodwill

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

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

An impairment loss is recognised in the income statement when the carrying amount of the 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 goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(ii) Property, plant and equipment, investment in subsidiary companies and jointly controlled entities

Property, plant and equipment, investment in subsidiary companies and jointly controlled entities are assessed at each balance sheet 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 charged to the income statement.

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.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares is accounted for as a deduction from share premium, if any, otherwise it is charged to the income statement.

Dividends on ordinary shares, when declared or proposed, are disclosed in the notes to the financial statements. Upon approval and when paid, such dividends are accounted for in shareholder's equity as an appropriation of unappropriated profit in the financial year in which they are paid.

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, included directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

(q) Payables

Payables are stated at cost and are recognised when there is a contractual obligation to deliver cash or another financial asset to settle the obligation.

(r) Foreign currencies

(i) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency, which is the currency of the primary economic environment in which the Company operates, are recorded in the functional currency using the exchange rates prevailing at the date of the transaction.

At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rate of exchange ruling at the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the year.

(ii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM are translated at the exchange rates ruling at the balance sheet date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the translation differences relating to that foreign operation are recognised in the income statement as part of the gain or loss on disposal.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(s) Revenue recognition

Revenue is recognised when it is probable that economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(i) Sales of goods

Revenue from sales of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the customers.

(ii) Services

Revenue from services rendered is recognised on an accrual basis as and when the services are rendered.

(iii) Car rental income

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

(iv) Finance lease income

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.

(v) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate applicable.

(vi) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the specific tenure of the respective leases.

(vii) Dividend income

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

(t) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) Post-employment benefits

Defined contribution plan

The Group pays monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group is limited to the amount that it agrees to contribute to the EPF. Contributions to the EPF are charged to the income statement in the period to which they relate.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Employee benefits *(continued)*

(ii) Post-employment benefits *(continued)*

Defined benefit plans

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

The discount rate is the market yield at the balance sheet 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.

Any increase in benefits to employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

In calculating the Group's obligations in respect of the plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the present value of the defined benefit obligation, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

(iii) Termination benefits

Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy or after individual employees have been advised of the specific terms.

(u) Borrowing costs

All other borrowing costs are charged to the income statement in the period in which they are incurred.

(v) Taxation

The tax expense in the income statement comprises current tax and deferred tax.

Current tax is an estimate of tax payable in respect of taxable profit for the year based on the tax rate enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in full, based on the liability method, for taxation deferred in respect of all material temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(v) Taxation *(continued)*

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Current and deferred tax is recognised as an income or an expense in the income statement or is credited or charged directly to equity if the tax relates to items that are credited or charged, whether in the same or different period, directly to equity.

(w) Cash and cash equivalents

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

For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits pledged to secure banking facilities.

(x) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(i) Financial instruments recognised in the balance sheet

The Group's financial instruments which are recognised in the balance sheet comprise cash and cash equivalents, other investments, receivables, payables, bank borrowings and ordinary shares.

These financial instruments are recognised when a contractual relationship has been established. The accounting policies and methods adopted, including the basis of measurement applied are disclosed above.

The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below.

(ii) Financial instruments not recognised in the balance sheet

Financial instruments which are not recognised in the balance sheet comprise foreign currency forward contracts.

These forward contracts are not recorded as an asset or liability. The objective of entering into these forward contracts is to protect the Company against unfavourable exchange rate movements. Gains or losses from changes in the fair value of forward contracts offset the corresponding losses or gains on the payables covered by the forward contracts.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(y) Segment reporting

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.

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.

(z) Disclosure of fair values

Cash and cash equivalents, trade and other receivables, trade and other payables, short term investments and short term borrowings

The carrying amounts of these financial instruments approximate fair values because of their short maturities.

Long term investments

For unquoted investments, a reasonable estimate of fair value is not practical due to the lack of comparable quoted market prices and available market data for valuation. Therefore, such investments are valued at cost subject to review for diminution in value.

Long term borrowings and receivables

The fair value of the Group's long term fixed-rate borrowings and receivables are estimated using discounted cash flow analyses, based on current market interest rates available to the Group for similar types of lending and borrowing arrangements.

2. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The main risks arising from financial instruments are stated below. Management monitors the Group's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. Management reviews and agrees on policies for managing each of these risks and they are summarised below. These policies have remained unchanged during the financial year.

(a) Credit risk

The Group's primary exposure to credit risk arises through its receivables. Management has a formal credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk arising from sales made on credit terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group seeks to invest its surplus cash safely by depositing them with licensed financial institutions.

2. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *(continued)*

(b) Liquidity and cash flow risk

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (ie. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group also seeks to maintain sufficient credit lines available to meet its liquidity requirements while ensuring an effective working capital management within the Group.

(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 relates primarily to the Group's finance lease receivables, fixed deposits and interest-bearing borrowings.

In managing the interest rate risk of finance lease receivables, the Group considers among others, the current economic forecast, expected direction of interest rate and the spreads between lending and borrowings of their maturities.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group manages its interest rate risks by placing such funds on short tenures of 12 months or less.

The Group's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate debt. The objective of a mix of fixed and floating rate borrowings is to reduce the impact of a rise in interest rates and to enable savings to be enjoyed if interest rates fall. The Group does not generally hedge interest rate risks. The Group has a policy to ensure that interest rates obtained are competitive.

(d) Foreign currency risk

The Group is exposed to currency risk as a result of foreign currency transactions entered into in currencies other than its functional currencies. The Group enters into forward foreign currency contracts to limit its exposure on foreign currency receivables, payables and on cash flows from anticipated transactions denominated in foreign currencies.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	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	Boats, rafts and cabin RM'000	Total RM'000
2007										
Cost/valuation										
At 1 January										
Cost	7,849	8,004	1,702	34,170	13,701	848	44,446	46,396	104	157,220
Valuation	-	1,179	-	-	-	-	-	-	-	1,179
	7,849	9,183	1,702	34,170	13,701	848	44,446	46,396	104	158,399
Additions	518	2,360	327	3,647	1,796	327	15,234	10,597	45	34,851
Disposals	-	-	-	(2,556)	(49)	-	(6,513)	(4,738)	-	(13,856)
Write-off	-	-	(271)	-	(1,313)	-	-	-	-	(1,584)
At 31 December										
Cost	8,367	10,364	1,758	35,261	14,135	1,175	53,167	52,255	149	176,631
Valuation	-	1,179	-	-	-	-	-	-	-	1,179
	8,367	11,543	1,758	35,261	14,135	1,175	53,167	52,255	149	177,810
Accumulated depreciation										
At 1 January	-	1,589	1,604	15,668	10,747	279	17,679	12,787	89	60,442
Charge for the year	-	234	68	6,187	1,422	341	5,998	6,919	5	21,174
Disposals	-	-	-	(1,954)	(51)	-	(4,362)	(2,957)	-	(9,324)
Write-off	-	-	(268)	-	(1,048)	-	-	-	-	(1,316)
At 31 December	-	1,823	1,404	19,901	11,070	620	19,315	16,749	94	70,976
Net book value at 31 December										
Cost	8,367	8,778	354	15,360	3,065	555	33,852	35,506	55	105,892
Valuation	-	942	-	-	-	-	-	-	-	942
	8,367	**9,720**	**354**	**15,360**	**3,065**	**555**	**33,852**	**35,506**	**55**	**106,834**

3. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Group	Freehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	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	Boats, rafts and cabin RM'000	Total RM'000
2006										
Cost/valuation										
At 1 January										
Cost	7,849	17,684	1,605	38,350	12,610	-	38,150	39,725	104	156,077
Valuation	-	1,179	-	-	-	-	-	-	-	1,179
At 1 January	7,849	18,863	1,605	38,350	12,610	-	38,150	39,725	104	157,256
Additions	-	-	97	5,567	1,352	848	9,259	10,092	-	27,215
Disposals	-	(9,680)	-	(9,747)	(232)	-	(2,697)	(2,853)	-	(25,209)
Write-off	-	-	-	-	(29)	-	(112)	(722)	-	(863)
Reclassification	-	-	-	-	-	-	(154)	154	-	-
At 31 December										
Cost	7,849	8,004	1,702	34,170	13,701	848	44,446	46,396	104	157,220
Valuation	-	1,179	-	-	-	-	-	-	-	1,179
	7,849	9,183	1,702	34,170	13,701	848	44,446	46,396	104	158,399
Accumulated depreciation										
At 1 January	-	5,565	1,582	15,553	9,755	-	13,952	8,097	86	54,590
Charge for the year	-	223	22	6,887	1,237	279	5,736	6,562	3	20,949
Disposals	-	(4,199)	-	(6,772)	(220)	-	(1,933)	(1,684)	-	(14,808)
Write-off	-	-	-	-	(25)	-	(42)	(222)	-	(289)
Reclassification	-	-	-	-	-	-	(34)	34	-	-
At 31 December	-	1,589	1,604	15,668	10,747	279	17,679	12,787	89	60,442
Net book value At 31 December										
Cost	7,849	6,642	98	18,502	2,954	569	26,767	33,609	15	97,005
Valuation	-	952	-	-	-	-	-	-	-	952
	7,849	7,594	98	18,502	2,954	569	26,767	33,609	15	97,957

3. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company	**Renovation RM'000**	**Furniture fixtures, fittings and office equipment RM'000**	**Motor vehicles RM'000**	**Total RM'000**
2007				
Cost				
At 1 January	823	248	626	1,697
Additions	-	24	256	280
Disposals	-	-	(185)	(185)
Write-off	-	(12)	-	(12)
At 31 December	823	260	697	1,780
Accumulated depreciation				
At 1 January	274	103	249	626
Charge for the year	274	37	91	402
Disposals	-	-	(148)	(148)
Write-off	-	(12)	-	(12)
At 31 December	548	128	192	868
Net book value At 31 December	**275**	**132**	**505**	**912**

3. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company	Renovation RM'000	Furniture fixtures, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
2006				
Cost				
At 1 January	-	103	495	598
Additions	823	156	256	1,235
Disposals	-	(11)	(125)	(136)
At 31 December	823	248	626	1,697
Accumulated depreciation				
At 1 January	-	73	173	246
Charge for the year	274	36	101	411
Disposals	-	(6)	(25)	(31)
At 31 December	274	103	249	626
Net book value				
At 31 December	549	145	377	1,071

	Net Book 2007 RM'000	Value 2006 RM'000
The Group's buildings are situated as follows:		
On leasehold land classified as prepaid lease payments	**2,309**	2,346
On the Group's freehold land	**7,148**	4,979
In a multi-storey office complex with strata title	**263**	269
	9,720	7,594

A building of the Group was revalued in 1984 by the Directors based on an independent professional valuation carried out on the open market value basis. The net book value of revalued asset based on the historical cost convention has not been disclosed as the relevant information is no longer available.

4. INVESTMENT PROPERTIES

	Company	
	2007	**2006**
	RM'000	**RM'000**
At 1 January	**12,000**	12,000
Changes in fair value	**2,200**	-
At 31 December	**14,200**	12,000

Investment properties comprise:

Long term leasehold land	**12,800**	10,800
Buildings	**1,400**	1,200
	14,200	12,000

The fair value of the investment properties at 31 December 2007 is based on a valuation carried out by Rahim & Co Chartered Surveyors Sdn Bhd on 31 December 2007.

5. PREPAID LEASE PAYMENTS

	Group	
	2007	**2006**
	RM'000	**RM'000**
Long leasehold land		
Cost		
At 1 January	**11,525**	15,779
Disposals	**-**	(4,254)
At 31 December	**11,525**	11,525
Accumulated depreciation		
At 1 January	**907**	1,938
Charge for the year	**205**	202
Disposals	**-**	(1,233)
At 31 December	**1,112**	907
Carrying amount		
At 31 December	**10,413**	10,618

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2007 RM'000	Company 2006 RM'000
Unquoted shares, at cost	**102,818**	74,487
Impairment loss	**(16,320)**	(1,928)
	86,498	72,559

The subsidiary companies are as follows:

	Equity interest 2007 %	Equity interest 2006 %	Country of incorporation	Principal activities
Tung Pao Sdn Bhd +	**100**	100	Malaysia	Distribution and sale of health care and consumer products through multi-level marketing
HairBiz College of Hairdressing Professionals Sdn Bhd +	**100**	100	Malaysia	Operation of a hairdressing academy
Tan Chong Apparels Sdn Bhd +	**100**	100	Malaysia	Dormant
Tan Chong Apparels Manufacturer Sdn Bhd +	**100**	100	Malaysia	Manufacture of ladies under-garments
TCIM Sdn Bhd +	**100**	100	Malaysia	Distribution, sale and rental of material handling equipment, agriculture tractors, engines construction equipment and parts as well as provision of after sales services
TCIM Esasia Sdn Bhd (70% equity is held by TCIM Sdn Bhd)	**70**	70	Malaysia	Assembling, distribution and sale of generator sets, engines, alternators and its related accessories

6. INVESTMENT IN SUBSIDIARY COMPANIES *(continued)*

	Equity interest 2007 %	Equity interest 2006 %	Country of incorporation	Principal activities
Jentrakel Sdn Bhd +	**100**	100	Malaysia	Rental and sale of industrial machinery and equipment
Mayflower Acme Tours Sdn Bhd +	**100**	100	Malaysia	Operation of inbound and outbound tours and the provision of cars and coaches for rental and leasing
Discovery Tours (Sabah) Sdn Bhd (100% equity is held by Mayflower Acme Tours Sdn Bhd)	**100**	100	Malaysia	Operation of inbound and outbound tours and the provision of cars and coaches for rental and leasing
Warisan Captive Incorporated	**100**	100	Labuan Malaysia	Underwriting of captive insurance business
Belize Holdings Sdn Bhd +	**100**	100	Malaysia	Investment holding
Excess Line Sdn Bhd	**100**	100	Malaysia	Money changer business
Comit Communications Technologies (M) Sdn Bhd +	**100**	100	Malaysia	Dormant
Virtual Travel Sdn Bhd *(formerly known as Comit Phone (Malaysia) Sdn Bhd)* +	**100**	100	Malaysia	Dormant
HairBiz Professionals Sdn Bhd +	**100**	100	Malaysia	Dormant
Angka-Tan Machinery Sdn Bhd +	**100**	100	Malaysia	Dormant
Mayflower (Labuan) Pte Ltd	**100**	100	Labuan Malaysia	Dormant
Mayflower- My 2nd Home (MM2H) Sdn Bhd *(formerly known as Global Tracking Technologies Sdn Bhd)*	**100**	80	Malaysia	Dormant

+ Subsidiary companies which are consolidated on the merger method of accounting

7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unquoted shares, at cost	**24,778**	24,778	**24,568**	24,568
Group's share of post-acquisition results	**8,416**	5,556	-	-
	33,194	30,334	**24,568**	24,568
Group's share of gain on disposal of business to jointly controlled entities	**(7,212)**	(7,212)	-	-
	25,982	23,122	**24,568**	24,568

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

Name	Proportion of ownership interest 2007 %	2006 %	Principal activities
Mayflower American Express Travel Services Sdn Bhd *	**70**	70	Operation of inbound tours and provision of air ticketing services
Wacoal Malaysia Sdn Bhd	**50**	50	Distribution and sale of undergarments
Shiseido Malaysia Sdn Bhd*	**50**	50	Distribution and sale of cosmetics and consumer products

* The financial statements of these jointly controlled entities are audited by other auditors.

7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES *(continued)*

The Group's aggregate share of the jointly controlled entities' non-current assets, current assets, non-current liabilities and current liabilities as at 31 December 2007 and revenue and expenses for the year ended 31 December 2007, which are included in the consolidated financial statements are as follows:

	2007 RM'000	2006 RM'000
Assets and liabilities		
Non-current assets	**2,682**	1,709
Current assets	**45,228**	36,442
Total assets carried forward	**47,910**	38,151
Non-current liabilities	**(246)**	(162)
Current liabilities	**(20,954)**	(14,455)
	26,710	23,534
Unrealised profit eliminated	**(728)**	(412)
	25,982	23,122
Results		
Revenue	**55,821**	53,074
Expenses, including finance costs and taxation	**(50,687)**	(49,338)

The jointly controlled entities have no material contingencies and capital commitments at year end.

The Group's share of the operating lease commitments of the jointly controlled entities are included in Note 31 (ii) to the financial statements.

8. OTHER INVESTMENTS

	Group 2007 RM'000	2006 RM'000
Unquoted shares, at cost	**10**	10

9. FINANCE LEASE RECEIVABLES

	Group 2007 RM'000	2006 RM'000
Finance lease instalments receivable		
- not later than one year	**4,903**	4,351
- later than one year but not later than five years	**5,367**	4,660
	10,270	9,011
Unexpired term charges	**(1,140)**	(1,113)
Outstanding principal	**9,130**	7,898
Outstanding principal receivable not later than one year *(see note 13)*	**(4,228)**	(3,713)
Outstanding principal receivable later than one year but not later than five years	**4,902**	4,185

The interest rate of the finance leases is 5% - 10% (2006 : 5% - 10%) per annum depending on the amount financed and the tenure of the lease.

10. DEFERRED TAX ASSETS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
At beginning of the year	**857**	849	**134**	161
Origination/(Reversal) for the year (net)	**(385)**	8	**(47)**	(27)
At 31 December	**472**	857	**87**	134

The Group has recognised the deferred tax assets as it is probable that its existing business would generate sufficient taxable profit in the future against which the deferred tax assets can be utilised.

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
The deferred tax assets arose from:				
Deductible temporary differences on				
- unused tax losses	**706**	47	**-**	4
- unabsorbed capital allowances	**52**	498	**-**	119
- other temporary differences	**175**	599	**113**	36
Taxable temporary differences between net book value and tax written down value of property, plant and equipment	**(461)**	(287)	**(26)**	(25)
	472	857	**87**	134

The following temporary differences exist as at 31 December the deferred tax benefits of which have not been recognised in the financial statements:

	Group 2007 RM'000	Group 2006 RM'000
(Taxable)/Deductible temporary difference		
- between net book value and tax written down value of property, plant and equipment	**(3)**	(1)
- on tax losses	**584**	257
- on unabsorbed capital allowances	**214**	57
- other temporary differences	**393**	37
	1,188	350

11. INTANGIBLE ASSET

	Group 2007 RM'000	2006 RM'000
Goodwill		
Cost		
At 1 January	**606**	870
Effect of adopting FRS 3	**-**	(264)
At 31 December	**606**	606
Accumulated amortisation		
At 1 January	**-**	264
Effect of adopting FRS 3	**-**	(264)
At 31 December	**-**	-
Net book value		
At 31 December	**606**	606

Impairment testing of goodwill

Goodwill acquired has been allocated to the following cash-generating unit ("CGU"):

	2007 RM'000	2006 RM'000
Inbound and outbound tours and the provision of cars and coaches for rental and leasing	**606**	606

11. INTANGIBLE ASSET *(continued)*

Recoverable amount based on value in use

The recoverable amount of the above CGU is determined based on value-in-use calculations using cash flow projections covering a five-year period extrapolated using the growth rate stated below. The key assumptions used in the calculations are as follows:

Gross margin	26.0%
Growth rate	25.0%
Discount rate	27.9%
Risk free rate	3.7%

The following describes each key assumption on which management has based its cash flow projections to undertake the impairment testing:

(i) Budgeted gross margin

The budgeted gross margin is based on the margin achieved in the year immediately before the budgeted year and are increased by growth rate to cater for expected improvements in efficiency.

(ii) Growth rate

The weighted average growth rates used are based on the long-term average growth rate for the respective industries.

(iii) Discount rate

The discount rates applied exclude impact on taxation.

(iv) Risk free rate

The risk free rate is based on the yield on a 3-year Malaysian government bond at the beginning of the budgeted year.

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 CGU to materially exceed its recoverable amount.

12. INVENTORIES

	Group					
		2007			2006	
	At cost RM'000	At net realisable value RM'000	Total RM'000	At cost RM'000	At net realisable value RM'000	Total RM'000
Raw materials	**1,999**	**-**	**1,999**	2,022	-	2,022
Work-in-progress	**520**	**-**	**520**	134	-	134
Manufactured inventories	**669**	**-**	**669**	690	-	690
Trading inventories	**29,773**	**986**	**30,759**	27,757	1,707	29,464
Spare parts and workshop inventories	**9,471**	**1,410**	**10,881**	5,746	1,866	7,612
	42,432	**2,396**	**44,828**	36,349	3,573	39,922

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Gross trade receivables	**39,370**	33,899	**-**	-
Allowance for doubtful debts	**(3,496)**	(3,159)	**-**	-
	35,874	30,740	**-**	-
Finance lease receivables *(see note 9)*	**4,228**	3,713	**-**	-
Other receivables	**2,803**	5,996	**9**	14
Sundry deposits	**1,811**	1,616	**346**	339
Prepayments	**2,844**	3,268	**362**	304
Subsidiary companies	-	-	**32,352**	3,545
Jointly controlled entities	**1,745**	759	**49**	-
Related party	**2,826**	-	**-**	-
	52,131	46,092	**33,118**	4,202

13. TRADE AND OTHER RECEIVABLES *(continued)*

The currency exposure profiles of trade receivables are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Ringgit Malaysia	**36,523**	30,273
US Dollar	**2,257**	2,611
Singapore Dollar	**48**	233
Renminbi	**542**	782
	39,370	33,899

Customers are granted credit periods of between 30 to 60 days. For major established customers, the credit terms may be extended to 90 days based on the discretion of management.

The amount owing by subsidiary companies are unsecured non trade receivables which are interest free and have no fixed terms of repayment.

The amount owing by the jointly controlled entities comprises:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**1,455**	-	**-**	-
Non trade receivables	**290**	759	**49**	-
	1,745	759	**49**	-

The non trade receivables are unsecured, interest free and have no fixed terms of repayment. The trade accounts have normal credit period of 30 to 60 days.

The amount owing by the related party comprises:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Trade receivables	**2,775**	-
Non trade receivables	**51**	-
	2,826	-

The related party is a company in which a Director has significant influence. The non trade receivables owing by the related party are unsecured, interest free and have no fixed terms of repayment. The trade accounts have a normal credit period of 30 days.

14. FIXED DEPOSITS

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Fixed deposits				
- with licensed banks	**12,892**	15,552	**1,103**	6,655
- with other licensed financial institutions	**25,749**	25,078	**25,749**	25,078
	38,641	40,630	**26,852**	31,733

Included in the Group's fixed deposits with licensed banks are amounts totalling RM75,000 (2006 : RM75,000) which have been pledged as security for bank guarantee facilities granted to a subsidiary of the Group.

The effective interest rates range from 2.8% to 5.31% (2006 : 2.6% to 5.31%). All deposits have maturity periods of less than one year.

15. SHARE CAPITAL

	2007 RM'000	**2006 RM'000**
Authorised		
100,000,000 ordinary shares of RM1 each	**100,000**	100,000
Issued and fully paid		
67,200,000 ordinary shares of RM1 each	**67,200**	67,200

16. TREASURY SHARES

	No. of shares		At cost	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
At 1 January	**158**	-	**269**	-
Additions	**799**	158	**1,476**	269
Disposals	**-**	-	**-**	-
At 31 December	**957**	158	**1,745**	269

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

17. BANK TERM LOANS (unsecured)

	Group	
	2007	**2006**
	RM'000	**RM'000**
Repayments due within the next 12 months *(see note 21)*	**6,336**	6,871
Repayments due after 12 months	**2,165**	8,501
	8,501	15,372

According to the term loan agreement, the borrowing subsidiary has agreed with the bank on the following significant covenants:

(i) to maintain a minimum net worth of at least RM25,000,000;

(ii) to fully settle the outstanding term loan in the event the property financed under the term loan is sold or transferred;

(iii) Warisan TC Holdings Berhad shall remain as its holding company during the tenure of the loan.

The long term loans bear interest as follows:

	2007	**2006**
	RM'000	**RM'000**
At 5.2% per annum	**1,975**	3,202
At 4.6% per annum in the first three years and 5.73% per annum thereafter	**5,926**	10,370
At 4.7% per annum	**600**	1,800
	8,501	15,372

18. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded defined benefit plan for staff 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 movements during the financial year and the amounts recognised in the balance sheet are as follows:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
At 1 January	**469**	397	**57**	41
Charged to income statement	**146**	132	**20**	18
Retirement benefits paid	**(150)**	(60)	**-**	(2)
At 31 December	**465**	469	**77**	57

At 31 December, the provision for retirement benefits recognised in the balance sheet is analysed as follows:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Present value of unfunded obligations	**548**	464	78	58

The expenses recognised in the income statements are analysed as follows:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Current service cost	**117**	108	**17**	15
Interest cost	**29**	24	**3**	3
Total included in employee costs	**146**	132	**20**	18

The principal actuarial assumptions used in respect of the defined benefit plan were as follows:

	2007	**2006**
Discount rate	**6.5%**	6.5%
Expected rate of salary increases	**6.0%**	6.0%
Price inflation	**3.0%**	3.0%

19. DEFERRED TAX LIABILITIES

	Group	
	2007	2006
	RM'000	RM'000
At 1 January	**6,452**	7,324
Origination/(Reversal) for the year (net)	**804**	(872)
At 31 December	**7,256**	6,452

The deferred tax liabilities arose from:

	Group	
	2007	2006
	RM'000	RM'000
Taxable temporary differences		
- relating to revaluation of properties	**244**	248
- between net book value and tax written down value of property, plant and equipment	**11,328**	9,820
Deductible temporary differences on		
- unused tax losses	**(7)**	-
- unabsorbed capital allowance	**(4,033)**	(3,399)
- other temporary differences	**(276)**	(217)
	7,256	6,452

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Trade payables	**27,366**	20,214	**-**	-
Other payables	**3,975**	5,088	**54**	39
Deposits received	**5,392**	2,844	**175**	175
Accruals	**6,004**	4,662	**603**	152
Subsidiary companies	**-**	-	**10,532**	48,492
Jointly controlled entities	**5,871**	-	**5,362**	-
Related parties	**84**	-	**74**	-
	48,692	32,808	**16,800**	48,858

20. TRADE AND OTHER PAYABLES *(continued)*

The currency exposure profiles of trade payables are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Ringgit Malaysia	**24,199**	17,346
US Dollar	**1,218**	1,909
Singapore Dollar	**6**	25
Euro	**558**	159
Japanese Yen	**1,385**	775
	27,366	20,214

The normal credit periods granted by trade suppliers range from 30 to 120 days.

The amount owing to subsidiary companies comprises:

	Company	
	2007	**2006**
	RM'000	**RM'000**
Non trade payables	**19,336**	48,695
Non trade receivables	**(8,804)**	(203)
	10,532	48,492

The non trade payables are unsecured and interest free except for an amount of RM17,560,974 (2006 : RM22,601,174) which is subject to interest based on fixed deposit interest rate of reference banks. The effective interest rates during the year were 3.1% to 3.52% (2006 : 3.0% - 3.6%) per annum. The non trade payables have no fixed terms of repayment. The non trade receivables are unsecured, interest free and have no fixed term of repayment.

The amount owing to jointly controlled entities comprises:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**452**	-	**-**	-
Non trade payables	**5,419**	-	**5,362**	-
	5,871	-	**5,362**	-

20. TRADE AND OTHER PAYABLES *(continued)*

The unsecured non trade payables owing to jointly controlled entities which have no fixed terms of repayment are analysed as follows

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bearing interests ranging 3.41% to 3.5% per annum	**5,362**	-	**5,362**	-
Interest free	**57**	-	**-**	-
	5,419	-	**5,362**	-

The interest rates are based on fixed deposit interest rate of reference bank.

The trade accounts have credit period of 30 to 60 days.

The related parties are companies in which a Director has significant influence. The amounts owing to the related parties represents non trade payables which are unsecured, interest free and have no fixed terms of repayment.

21. BANK BORROWINGS

	Group	
	2007 RM'000	2006 RM'000
Current portion of long term loans *(see note 17)*	**6,336**	6,871
Bankers acceptances, unsecured	**22,701**	14,991
Bank overdraft, unsecured	**219**	-
	29,256	21,862

The bankers' acceptances are supported by a negative pledge over a subsidiary company's current and future assets.

The bankers' acceptances bear effective interest rates ranging between 3.79% to 4.10% (2006 : 2.93% to 4.15%).

The bank overdraft bears interest at 1% above the lender bank's cost of funds (effective interest rate : 6.75%).

22. REVENUE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Sales of goods	**100,437**	77,781	**-**	-
Services rendered including car hire income	**168,111**	137,619	**848**	845
Finance lease income	**817**	795	**-**	-
	269,365	216,195	**848**	845

23. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit/(Loss) from operations is stated after charging:				
Allowance for doubtful debts	**389**	209	**-**	-
Amortisation of prepaid lease payments	**205**	202	**-**	-
Auditors' remuneration				
- statutory audit				
- current year	**85**	102	**20**	24
- overprovision in prior year	**2**	(2)	**-**	-
- other auditors' remuneration	**1**	-	**-**	-
Bad debts written off	**8**	28	**-**	-
Deposit written off	**14**	-	**-**	-
Depreciation	**21,174**	20,949	**402**	411
Direct operating expenses on				
- revenue generating investment properties	**-**	-	**118**	89
- non revenue generating investment properties	**-**	-	-	128
Directors' remuneration				
- fees	**79**	79	**79**	79
- other emoluments	**952**	869	**726**	668
Impairment in value of investment in subsidiary companies	**-**	-	**14,392**	228
Inventories written off/down	**1,538**	192	**-**	-
Preliminary expenses	**3**	-	**-**	-
Property, plant and equipment written off	**268**	574	**-**	-
Rental expense				
- land and buildings	**1,379**	1,204	**4**	-
- equipment	**135**	222	**-**	-
Retirement benefit obligations	**146**	132	**20**	18
Unrealised loss on foreign exchange	**31**	48	**-**	-
and crediting:				
Allowance for doubtful debts written back	**52**	33	**-**	-
Gain on disposal of property, plant and equipment	**1,186**	6,939	**23**	-
Realised gain on foreign exchange	**577**	1,159	**-**	-
Rental income from				
- investment properties	**-**	-	**558**	395
- land and buildings	**672**	1,226	**-**	-
- equipment	**10,000**	11,079	**-**	-

Directors' remuneration of the Group and the Company does not include the estimated monetary value of benefits-in-kind amounted to RM61,491 and RM50,524 (2006 : RM35,500 and RM29,000) respectively.

24. NET PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Gross dividends from subsidiary companies	-	-	125,447	20,544
Gross dividends from jointly controlled entity	-	-	500	-
Interest income from				
- subsidiary companies	-	-	82	-
- related parties	78	-	-	-
- fixed deposits	1,306	1,588	961	1,164
Gain on fair value adjustment on investment properties	-	-	2,200	-
	1,384	1,588	129,190	21,708

25. FINANCE COSTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Interest paid and payable on:				
Term loans	618	890	-	-
Bankers' acceptances	839	571	-	-
Others	-	-	758	946
	1,457	1,461	758	946

26. TAX EXPENSE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Malaysian taxation based on results for the year				
- current	2,343	2,862	33,500	5,085
- deferred	612	(694)	(83)	27
Real property gain tax	-	263	-	-
	2,955	2,431	33,417	5,112
Under/(Over)provision in prior years				
- current	(465)	124	(152)	(288)
- deferred	577	(186)	130	-
	3,067	2,369	33,395	4,824

26. TAX EXPENSE *(continued)*

The statutory tax rate applicable to the Company was reduced from 28% in 2006 to 27% in 2007.

The reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates are as follows:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Accounting profit	**19,681**	22,430	**111,897**	18,494
Tax at applicable tax rates	**4,496**	6,280	**30,212**	5,178
Tax effect of expenses not deductible in determining taxable profit	**724**	713	**4,072**	286
Tax effect on reduction in future tax rate	**(38)**	-	**(4)**	5
Tax effect of income not taxable in determining taxable profit	**(2,793)**	(3,376)	**(863)**	(357)
Crystalisation of deferred tax liabilities on amortisation of revalued properties	**(4)**	(1,117)	**-**	-
Originating of deferred tax assets not recognised	**838**	-	**-**	-
Tax effect on opening deferred tax resulting from reduction in statutory tax rate	**(268)**	(332)	**-**	-
Under/(Over)provision in prior years	**112**	(62)	**(22)**	(288)
Real property gain tax	**-**	263	**-**	-
Tax expense for the year	**3,067**	2,369	**33,395**	4,824

Subject to agreement with the Inland Revenue Board, based on estimated tax credits available and the prevailing tax rate applicable to dividends, the entire unappropriated profit of the Company is available for distribution by way of dividends without incurring additional tax liability.

27. EARNING PER SHARE

Basic earnings per share

The basic earnings per share has been calculated by dividing the Group's profit for the year attributable to shareholders of the Company of RM16,939,000 (2006: RM20,189,000) by the weighted average number of shares in issue of 66,564,875 (2006 : 67,165,492). The weighted average number of shares in issue is calculated as follows:

	2007	**2006**
Number of ordinary shares at 1 January	**67,200,000**	67,200,000
Effect of treasury shares held	**(635,125)**	(34,508)
Weighted average number of ordinary shares at 31 December	**66,564,875**	67,165,492

28. DIVIDENDS

	2007 RM'000	2006 RM'000
In respect of the financial year ended 31 December 2005		
Final dividend of 4% tax exempt	**-**	2,688
Special dividend of 2% less 28% income tax	**-**	968
In respect of the financial year ended 31 December 2006		
Interim dividend of 4% less 28% income tax	**-**	1,934
Final dividend of 5% less 27% income tax	**2,432**	-
In respect of the financial year ended 31 December 2007		
Interim dividend of 4% less 27% income tax	**1,939**	-
	4,371	5,590

Subsequent to 31 December 2007, the Directors proposed a final dividend of 5% less 26% income tax in respect of the financial year ended 31 December 2007.

29. EMPLOYEE INFORMATION

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Employee costs	**25,947**	26,362	**2,111**	1,828
Included in the employee costs are:				
Termination benefits	**138**	-	**-**	-
EPF contributions	**2,307**	2,009	**241**	243
Defined benefit plan provisions	**146**	132	**20**	18

30. RELATED PARTY DISCLOSURES

(a) Significant related party transactions during the financial year were as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Transactions with subsidiary companies				
Interest received and receivable	**-**	-	**82**	946
Management fee received and receivable	**-**	-	**848**	845
Interest paid and payable	**-**	-	**758**	946

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Transaction with jointly controlled entities				
Interest received and receivable	**-**	5	**-**	-
Sales of goods	**-**	18,904	**-**	-
Rental received and receivable	**-**	218	**558**	395

Transactions with companies in which a Director has significant influence

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Sales	**11,021**	7,074	**-**	-
Services received and receivable	**378**	-	**-**	-
Rental received and receivable	**101**	326	**-**	-
Interest received and receivable	**78**	73	**-**	-
Sale of a property	**-**	14,200	**-**	-

30. RELATED PARTY DISCLOSURES *(continued)*

(a) Significant related party transactions during the financial year were as follows *(continued)*:

Transactions with companies in which a Director has significant influence *(continued)*

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Purchases	**17,093**	2,135	**-**	-
Service charges paid and payable	**2,759**	67	**-**	-
Rental paid and payable	**20**	4	**4**	-
Purchase of property, plant and equipment	**-**	6,144	**256**	256
Insurance paid and payable	**1,203**	567	**-**	-
Management fees paid and payable	**236**	170	**139**	135

Information regarding outstanding balances arising from related party transactions at year end are disclosed in the respective notes to the financial statements.

(b) Compensation paid to key management personnel during the year comprises:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Short term employee benefits (salaries, allowances, bonuses and benefits-in-kind)	**2,011**	1,729	**1,012**	933
Post-employment benefits EPF	**230**	212	**126**	132
Defined benefit plan provisions	**36**	3	**20**	3
	2,277	1,944	**1,158**	1,068
Directors	**1,092**	984	**856**	776
Other key management personnel	**1,185**	960	**302**	292
	2,277	1,944	**1,158**	1,068

31. COMMITMENTS

	Group	
	2007 RM'000	2006 RM'000
Capital commitments		
Contracted capital expenditure not provided for in the financial statements	**22,279**	5,929

31. COMMITMENTS *(continued)*

Operating lease commitments

(i) The Group as lessor

The Group has entered into commercial vehicle leases to earn rental income. These leases have remaining non-cancelled lease terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge after expiry, based on prevailing market conditions. The Group does not have any contingent rental arrangements.

The future minimum lease rentals receivable under non-cancellable leases are as follows:

	2007 RM'000	2006 RM'000
Not later than one year	**10,200**	10,672
Later than one year but not later than 5 years	**8,614**	8,087
	18,814	18,759

(ii) 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 are negotiated and normally reflects market rentals. The above leases do not include any contingent rentals.

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

	2007 RM'000	2006 RM'000
Not later than one year	**550**	693
Later than one year but not later than 5 years	**275**	726
	825	1,419

32. CONTINGENT LIABILITIES

In 2002, a former director together with a former director who served on the board of certain subsidiaries claimed against the Company and the respective subsidiaries in relation to their non re-election as directors of the subsidiaries. Their application for interim injunctions was dismissed with costs. The High Court has struck out their Writ and Statement of Claim on 11 July 2003. They have appealed to the Court of Appeal and at this stage, no hearing date has been fixed.

Based on legal advice, the Directors are of the opinion that the appeal is unlikely to succeed and will ultimately be dismissed with costs and that no provision for damages needs to be made in the financial statements for these reasons.

33. FINANCIAL INSTRUMENTS

(a) Credit risk

At balance sheet date, 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.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Derivative financial instruments

Foreign currency forward contracts outstanding as at 31 December were as follows:

2007	Amounts to be paid	equivalent RM	Average contractual rate	– Settlement period – Within 1 year RM	2 to 5 year RM
Trade payables					
EURO	368,350	1,794,347	4.8713	1,794,347	-
JPY	997,422,139	29,809,750	3.3460	29,809,750	-

2006	Amounts to be paid	equivalent RM	Average contractual rate	– Settlement period – Within 1 year RM	2 to 5 year RM
Trade payables					
JPY	472,756,255	14,805,267	3.1932	14,805,267	-

(c) Fair value

The carrying amounts of the financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Group	
2007	Carrying amount RM’000	Fair value RM’000
Non-current assets		
Finance lease receivables	4,902	4,993

33. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair value *(continued)*

	Group	
	Carrying amount RM'000	**Fair value RM'000**
Other investments		
Unquoted shares	10	*
Non-current liabilities		
Bank term loans	2,165	1,968

	Group	
2006	**Carrying amount RM'000**	**Fair value RM'000**
Non-current assets		
Finance lease receivables	4,185	4,335
Other investments		
Unquoted shares	10	*
Non-current liabilities		
Bank term loans	8,501	8,262

* *It is not practical to estimate the fair value of unquoted shares due to the lack of quoted market values and available observable market data. These investments are carried at their original costs subject to review for impairment.*

34. SEGMENTAL ANALYSIS

2007	Consumer products RM'000	Travel and car rental RM'000	Machinery RM'000	Other operations RM'000	Eliminations RM'000	Consolidated RM'000
Business segments						
Revenue from external customers	1,063	148,332	118,800	1,170	-	269,365
Inter-segment revenue	-	424	-	-	(424)	-
Total revenue	1,063	148,756	118,800	1,170	(424)	269,365
Segment result	(1,880)	10,040	8,208	613	-	16,981
Unallocated expenses						(2,361)
Operating profit						14,620
Interest expense						(1,457)
Interest income						1,384
Share of profit of jointly controlled entities	2,999	2,135	-	-	-	5,134
Profit before tax						19,681
Tax expense						(3,067)
Net profit for the year						**16,614**
Segment assets	12,625	93,246	112,825	1,408	-	220,104
Share of net assets in jointly controlled entities	21,496	4,486	-	-	-	25,982
Unallocated assets						55,140
Total assets						**301,226**
Segment liabilities	(1,556)	(24,340)	(17,043)	(92)	-	(43,031)
Unallocated liabilities						(47,539)
Total liabilities						**(90,570)**
Capital expenditure	3,856	26,062	4,653	-	-	34,571
Unallocated capital expenditure						280
Total capital expenditure						**34,851**

34. SEGMENTAL ANALYSIS *(continued)*

2007	Consumer products RM'000	Travel and car rental RM'000	Machinery RM'000	Other operations RM'000	Eliminations RM'000	Consolidated RM'000
Depreciation and amortisation	(393)	(13,399)	(6,938)	(32)	-	(20,762)
Unallocated depreciation and amortisation						(617)
Total depreciation and amortisation						**(21,379)**
Non-cash expense other than depreciation and amortisation	1,268	62	992	-	-	2,322
Unallocated non-cash expenses						20
Total non-cash expenses						**2,342**

2006	Consumer products RM'000	Travel and car rental RM'000	Machinery RM'000	Other operations RM'000	Eliminations RM'000	Consolidated RM'000
Business segments						
Revenue from external customers	1,820	116,070	97,177	1,128	-	216,195
Inter-segment revenue	-	144	-	-	(144)	-
Total revenue	1,820	116,214	97,177	1,128	(144)	216,195
Segment result	7,527	6,103	6,675	523	-	20,828
Unallocated expenses						(2,261)
Operating profit						18,567
Interest expense						(1,461)
Interest income						1,588
Share of profit of jointly controlled entities	2,119	1,617	-	-	-	3,736
Profit before tax						22,430
Tax expense						(2,369)
Net profit for the year						20,061

34. SEGMENTAL ANALYSIS *(continued)*

2006	Consumer products RM'000	Travel and car rental RM'000	Machinery RM'000	Other operations RM'000	Eliminations RM'000	Consolidated RM'000
Segment assets	10,857	82,335	101,433	483	-	195,108
Share of net assets in jointly controlled entities	18,473	4,649	-	-	-	23,122
Unallocated assets						54,517
Total assets						272,747
Segment liabilities	(1,589)	(18,163)	(13,521)	(36)	-	(33,309)
Unallocated liabilities						(39,385)
Total liabilities						(72,694)
Capital expenditure	623	18,709	6,453	195	-	25,980
Unallocated capital expenditure						1,235
Total capital expenditure						27,215
Depreciation and amortisation	(179)	(12,467)	(7,859)	(20)	-	(20,525)
Unallocated depreciation and amortisation						(626)
Total depreciation and amortisation						(21,151)
Non-cash expense other than depreciation and amortisation	(644)	(65)	(224)	-	-	(933)
Unallocated non-cash expenses						(18)
Total non-cash expenses						(951)

35. COMPARATIVE FIGURES

The following comparative figures have been restated arising from the adoption of FRS: 117, Leases.

	Group	
	As restated RM'000	As previously reported RM'000
Balance sheet as at 31 December 2006		
Non-current assets		
Property, plant and equipment	97,957	108,575
Prepaid lease payments	10,618	-

The following comparative figures have been restated to conform with the current year's presentation:

	Group		Company	
	As restated RM'000	As previously reported RM'000	As restated RM'000	As previously reported RM'000
Balance sheet as at 31 December 2006				
Current assets				
Cash and cash equivalents	-	47,821	-	32,144
Fixed deposits	40,630	-	31,733	-
Cash and bank balances	7,191	-	411	-
Income statement for the year ended 31 December 2006				
Revenue	-	216,195	-	21,389
Interest income	-	1,588	-	1,164
Gross revenue	216,195	-	845	-
Net profit from investing activities	1,588	-	21,708	-
Administrative expenses	-	14,895	-	3,264
Other expenses	-	1,131	-	244
Administration and general expenses	16,026	-	3,508	-

36. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 7 April 2008 by the board of Directors.

Statement By Directors

pursuant to Section 169(15) of the Companies Act, 1965

We, Ngu Ew Look and Yeoh Keong Lian, being two of the Directors of Warisan TC Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 45 to 106 are, except for pages 48 to 50 which are expressed in USD equivalent, drawn up in accordance with applicable MASB Approved Accounting Standards for Entities Other Than Private Entities and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of their results and cash flows for the year ended on that date.

Signed on behalf of the Directors in accordance with a Directors' resolution dated 7 April 2008.

NGU EW LOOK
Director

YEOH KEONG LIAN
Director

Kuala Lumpur
7 April 2008

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Chua Tian Pang, being the person 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 financial statements set out on pages 45 to 106 are, except for pages 48 to 50 which are expressed in USD equivalent, 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 at Kuala Lumpur in the Federal Territory on 7 April 2008.

CHUA TIAN PANG

Before me:
Mohd Radzi bin Yasin
No. W327
Commissioner for Oaths
(Pesuruhjaya Sumpah)

Kuala Lumpur
7 April 2008

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Warisan TC Holdings Berhad ("Company") will be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia on Friday, 23 May 2008 at 10:30 a.m. to transact the following businesses:

As Ordinary Business

1. To receive the Financial Statements for the financial year ended 31 December 2007 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**

2. To declare a final dividend of 5% less income tax for the financial year ended 31 December 2007. **Ordinary Resolution 2**

3. To re-elect the following Directors who are eligible and have offered themselves for re-election, in accordance with Article 100 of the Company's Articles of Association:

    i. Dato' Haji Nadzam bin Haji Mohd Din **Ordinary Resolution 3**
    ii. Ms Yeoh Keong Lian **Ordinary Resolution 4**

4. To re-elect the following Directors who are eligible and have offered themselves for re-election, in accordance with Article 79 of the Company's Articles of Association:

    i. Datuk Abdullah bin Abdul Wahab **Ordinary Resolution 5**
    ii. Mr Chong Kwong Chin **Ordinary Resolution 6**
    iii. Mr Lim Hong Juay **Ordinary Resolution 7**

5. To re-appoint Messrs Moores Rowland as Auditors and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

As Special Business

To consider and if thought fit, to pass the following resolutions:

6. **PROPOSED GRANT OF AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

    "**THAT**, subject always to the Companies Act, 1965 ("Act"), the Articles of Association of the Company and approvals and requirements of the relevant governmental/regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Act to allot and issue new ordinary shares of RM1.00 each in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 9**

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

"**THAT**, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the 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 of RM1.00 each 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 the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion to retain the shares so purchased as treasury shares (as defined in Section 67A of the Act) and/or to cancel the shares so purchased and/or to resell them and/or to deal with the shares so purchased in such 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 the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire:

(i) at 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;

(ii) at 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 authority." **Ordinary Resolution 10**

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG MOTOR HOLDINGS BERHAD GROUP**

"**THAT**, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the 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 Group 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 Circular to Shareholders dated 30 April 2008 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 not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at a general meeting, the authority of the Shareholders' Mandate is renewed or the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting, whichever is earlier.

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**

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD GROUP**

"**THAT**, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the 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 Group 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 Circular to Shareholders dated 30 April 2008 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 not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at a general meeting, the authority of the Shareholders' Mandate is renewed or the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act) or revoked or varied by a resolution passed by the shareholders in a general meeting, whichever is earlier.

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 12**

Notice Of Annual General Meeting

10. **PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

    "**THAT** the Articles of Association of the Company set forth in the Schedule to Appendix II to the Circular to Shareholders dated 30 April 2008 be adopted following the amendment, modification and variation of the existing Articles of Association by the deletion of those words which have been struck off, the insertion of words which have been double-underlined and the renumbering where necessary of Articles in numerical running orders, as are more particulary set out in the aforementioned Schedule." **Special Resolution**

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 Eleventh Annual General Meeting of Warisan TC Holdings Berhad, a final dividend of 5% less income tax for the financial year ended 31 December 2007 will be paid on 24 June 2008. The entitlement date shall be 28 May 2008.

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 28 May 2008 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

CHANG PIE HOON
(MAICSA 7000388)
Company Secretary

Kuala Lumpur
30 April 2008

Notice Of Annual General Meeting

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy or proxies (but not more than two) to attend and vote on his behalf. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.

2. The intrustment 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 its officer or attorney duly authorised.

3. An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

4. The instrustment appointing a proxy must be deposited at the Registered Office of the Company, 62 - 68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. **Proposed Grant of Authority Pursuant to Section 132D of the Companies Act, 1965**

   The Company continues to consider opportunities to broaden the operating base and earnings potential of the Company. If any of the expansion or diversification proposals involve the issue of new shares, the Directors of the Company, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued and paid-up share capital of the Company.

   In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors of the Company be empowered, as proposed in Ordinary Resolution 9, to issue shares in the Company up to an amount not exceeding in total 10% of the issued and paid-up share capital of the Company for the time being, for such purpose. This authority, unless revoked or varied at a general meeting, shall continue to be in force until the conclusion of the next annual general meeting of the Company.

2. **Proposed Share Buy-Back**

   The proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") by utilizing the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 30 April 2008, despatched together with the Company's 2007 Annual Report.

3. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions**

   The proposed Ordinary Resolutions 11 and 12, 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 11 and 12 are set out in the Circular to Shareholders dated 30 April 2008, despatched together with the Company's 2007 Annual Report.

4. **Proposed Amendments of the Articles of Association of the Company**

   The proposed Special Resolution, if passed, will bring the Articles of Association of the Company in line with the recent amendments of the Listing Requirements of Bursa Malaysia Securities Berhad and Companies Act, 1965, as well as for better clarity.

   Further information on Special Resolution is set out in the Circular to Shareholders dated 30 April 2008, despatched together with the Company's 2007 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

DIRECTORS STANDING FOR RE-ELECTION AT THE ELEVENTH ANNUAL GENERAL MEETING

The Directors standing for re-election in accordance with Article 100 and Article 79 of the Company's Articles of Association are as follows :-

Article 100

i. Dato' Haji Nadzam bin Haji Mohd Din
ii. Ms Yeoh Keong Lian

Article 79

i. Datuk Abdullah bin Abdul Wahab
ii. Mr Chong Kwong Chin
iii. Mr Lim Hong Juay

Details of these Directors are set out in the section entitled "Profile of the Directors" on pages 13 to 16 of the Annual Report. Their interests in shares in the Company as at 31 March 2008 are as follows :-

	No of shares	% shareholding
Dato' Haji Nadzam bin Haji Mohd Din	95,050	0.14%
Yeoh Keong Lian	5,000	0.01%
Datuk Abdullah bin Abdul Wahab	-	-
Chong Kwong Chin	-	-
Lim Hong Juay	-	-

None of these Directors held any interest in shares in the subsidiaries of the Company as at 31 March 2008.

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WARISAN TC HOLDINGS BERHAD

(424834-W)

(Incorporated in Malaysia)

FORM OF PROXY

CDS account no. of authorised nominee

I/We____*(name of shareholder as per NRIC, in capital letters)*
NRIC No./ID No./Company No.____________________________*(new)*____*(old)*
of____
___________________________________*(full address)* being a member of WARISAN TC HOLDINGS BERHAD, hereby appoint
____*(name of proxy as per NRIC, in capital letters)*
NRIC No.___________________________________*(new)*____*(old)* or failing
him/her____*(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 Eleventh Annual General Meeting of the Company to be held at 3rd Floor, 21 Jalan Ipoh Kecil, 50350 Kuala Lumpur, on Friday, 23 May 2008 at 10.30 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Ordinary Resolution 1	Financial Statements and Reports of the Directors and Auditors		
Ordinary Resolution 2	Final Dividend		
Ordinary Resolution 3	Re-election of Dato' Haji Nadzam bin Haji Mohd Din as Director		
Ordinary Resolution 4	Re-election of Ms Yeoh Keong Lian as Director		
Ordinary Resolution 5	Re-election of Datuk Abdullah bin Abdul Wahab as Director		
Ordinary Resolution 6	Re-election of Mr Chong Kwong Chin as Director		
Ordinary Resolution 7	Re-election of Mr Lim Hong Juay as Director		
Ordinary Resolution 8	Re-appointment of Messrs Moores Rowland as Auditors		
Ordinary Resolution 9	Proposed Grant of Authority pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 10	Proposed Renewal of Authority for the Company to Purchase its Own Shares		
Ordinary Resolution 11	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad Group		
Ordinary Resolution 12	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad Group		
Special Resolution	Proposed Amendments of the Articles of Association of the Company		

(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		%
Total		100%

Notes:

(1) An authorised nominee may appoint one proxy in respect of each securities account the authorised nominee holds in the Company standing to the credit of such securities account. Each appointment of proxy shall be by a separate instrument of proxy which shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

(2) A member entitled to attend and vote at the meeting may appoint a proxy or proxies (but not more than two) to attend and vote on his behalf. A proxy need not be a member of the Company, and, where there are two proxies, the number of shares to be represented by each proxy must be stated.

(3) The intrustment 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 its officer or attorney duly authorised.

The Form of Proxy must be deposited at the Registered Office of the Company, 62-68 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia, not less than forty-eight hours before the time appointed for the meeting.

fold here

Affix
Stamp
here

Company Secretary
WARISAN TC HOLDINGS BERHAD
62-68 Jalan Ipoh
51200 Kuala Lumpur

Warisan TC Holdings Berhad
(424834-W)

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