WARISAN TC HOLDINGS BERHAD

(424834-W)

annual report 2009

CONTENTS

Corporate Information

DIRECTORS

Dato' Tan Heng Chew
JP, DJMK
Chairman

Ting Lieng Yu
Executive Deputy Chairman

Ngu Ew Look
Executive Director

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

Seow Thiam Fatt

Dato' Abdullah bin Abdul Wahab
KMN, DPSJ, PJN

Chong Kwong Chin

AUDIT COMMITTEE

Seow Thiam Fatt
(Independent Non-Executive Director)
Chairman

Chong Kwong Chin
(Independent Non-Executive Director)

Datuk Abdullah bin Abdul Wahab
KMN, DPSJ, PJN
(Independent Non-Executive Director)

COMPANY SECRETARIES

Chang Pie Hoon
Ang Lay Bee

REGISTERED OFFICE

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

CORPORATE OFFICE

3rd Floor, No 15, Jalan Ipoh Kecil
50350 Kuala Lumpur
Telephone : 03-4047 9733
Facsimile : 03-4047 9722

REGISTRARS

Tricor Investors Services Sdn Bhd
(formerly known as
Tenaga Koperat Sdn Bhd)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone : 03-2264 3883
Facsimile : 03-2282 1886

AUDITORS

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

STOCK EXCHANGE LISTING

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

COMPANY WEBSITE

www.warisantc.com.my

Business Divisions

1

travel & car rental

- Inbound tour
- Outbound tour
- Corporate travel
- Airline ticketing
- Car and coach rental

2

machinery

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

3

consumer products

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

corporate structure

travel & car rental division

100%	Mayflower Acme Tours Sdn Bhd
100%	Discovery Tours (Sabah) Sdn Bhd
70%	Mayflower American Express Travel Services Sdn Bhd

machinery division

100%	TCIM Sdn Bhd
100%	Jentrakel Sdn Bhd

consumer products division

100%	Tung Pao Sdn Bhd
100%	Tan Chong Apparels Manufacturer Sdn Bhd
50%	Shiseido Malaysia Sdn Bhd
50%	Wacoal Malaysia Sdn Bhd

others

100%	Warisan Captive Incorporated
100%	Grooming Expert Sdn Bhd (formerly known as HairBiz Professionals Sdn Bhd)

Dormant subsidiaries are excluded from the corporate structure

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 2009.

Highlights

2009 was a challenging year. The Group, however, was pro-active in improving operating efficiencies and business model as well as reducing expenditure with a view to enhancing its performance in the long run. For the financial year ended 31 December 2009, the Group achieved revenue of RM301.8 million, 18% lower than the previous financial year of RM368.2 million. Consequently, Group profit before tax declined by 45% to RM12 million from RM21.9 million of the previous financial year. The core businesses of the Group were inevitably affected by the global economy crisis and Influenza A (H1N1) pandemic.

Nevertheless, as of 31 December 2009, the Group's balance sheet remained strong with shareholders' fund recorded at RM229.2 million (2008 : RM228.6 million), cash and bank balances stood at RM66.9 million (2008 : RM51.2 million) while bank borrowings reduced to RM54.3 million (2008 : RM64.7 million). Net assets per share was RM3.51 (2008 : RM3.47).

I am pleased to report that the Group has taken a momentous step ahead by venturing into automotive business. The announcements, made on 1 October 2009, marked the Group's achievement of greater heights whereby the Company and its wholly-owned subsidiary, Angka-Tan Motor Sdn Bhd (formerly known as Angka-Tan Machinery Sdn Bhd) ("ATM"), entered into separate memoranda of understanding (MOU) with Beiqi Foton Motor Co Ltd ("BFM") for the appointments as sole and exclusive manufacturers/assemblers and distributors of the light, medium and heavy duty trucks; sole and exclusive after sales service providers as well as sole and exclusive parts and accessories distributors for light, medium and heavy duty trucks in Malaysia.

Following this, on 19 February 2010, Kereta Komersil Seladang (M) Sdn Bhd, a 70% owned subsidiary of the Company, entered into a KD Cooperation Agreement for the light duty trucks business whilst ATM entered into a Distribution Agreement for the medium and heavy duty trucks business, both with BFM. This will certainly broaden the existing operation base of the Group in the long run.

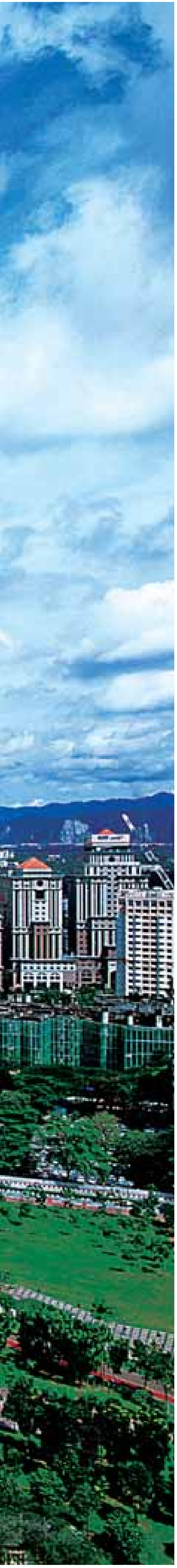
Dividends

In respect of the financial year ended 31 December 2009, an interim dividend of 5% less tax per share amounting to RM2.5 million was paid on 29 September 2009.

In appreciation of our shareholders loyalty and support, the Board of Directors recommended the payment of a final dividend of 6% less tax per share for the financial year ended 31 December 2009. Together with the interim dividend already declared and paid, this represents a total dividend of 11% (2008 : 10%) gross per share.

Review of Business Operations

For the financial year ended 31 December 2009, the Group continued to operate with its three (3) core businesses, namely Travel & Car Rental, Machinery and Consumer Products.



Chairman’s Statement

Travel & Car Rental

Faced with persisted global financial crisis and Influenza A (H1N1) pandemic, it was a very tough year for the travel business. Nevertheless, the management adopted a pro-active approach to invest in new business models with a long term view to improve the overall business of the division. Mayflower Acme Tours Sdn Bhd (“MAT”) achieved a significant milestone by launching the franchising business model and wholesaling for outbound business. On inbound business, the focus was aggressive market share acquisition. In view of the business expansion, the tour business was relocated to a more strategic location with much emphasis being placed to promote “Mayflower” brandname. As far as car rental business was concerned, it was still able to maintain its strong presence and major clientele in car leasing segment.

It was again a fruitful year in terms of award winning for MAT which won “The Prestigious BrandLaureate for Best Brands in Corporate Branding, Services - Tours and Travel 2009” from the Asia Pacific Brand Foundation. This is the most prestigious branding award for the SMEs industry in Malaysia and Asia Pacific which recognises delivering brand promises, enduring values as well as good social and business conduct. MAT was also awarded the Certificate of Excellence Brand (Services) by the Ministry of International Trade & Industry (MITI). This shows the commitment of MAT in providing high-quality service to all its customers. Last but not least, MAT was awarded “The EUMCCI Europa Awards for Highest Excellence - Trade/Investment in the European Union (“EU”) by a Malaysian Investor”. The award was given by “The European Union - Malaysia Chamber of Commerce & Industry (EUMCCI)” to Malaysian companies which invest in and trade with EU as well as contribute and sustain trade and investment link between Malaysia and Europe.

Chairman's Statement

Machinery

The machinery business was no exception to the global financial crisis and demand for machinery contracted quite significantly which in turn affected the business of the division. Despite the negative impact from the crisis, new model/product were continued to be introduced during the year. A new model of Nissan Forklift, the 1F4 series, was launched to replace the existing model.

Chairman's Statement

A new range of product, SDLG wheel loader from Shandong Lingong Machinery Co. Ltd ("SDLG") was introduced for construction, mining, quarry and oil mills sectors. SDLG, one of the leading construction equipment manufacturers in China, is part of the Volvo Group after entering into a joint venture with Volvo Construction Equipment in 2007. Both products would complement the existing products and are expected to contribute positively to the machinery business.

Three (3) new branches were set up in Kuching, Bintulu and Kota Bahru during the year and this reflects the commitment of the company to establish a strong presence, in both East and West Malaysia.

Consumer Products

Consumer spending was under pressure and this affected the overall consumer spending in 2009. Nevertheless, the Shiseido, Wacoal and multi-level-marketing businesses registered reasonable growth in revenue amid the tough business environment.

Shiseido

It was a very eventful year for the Shiseido business. The prestige “Shiseido Makeup” with a concept of sophisticated glamorous beauty caught the attention of the fashionable and sophisticated women. On men’s product, the first men fragrance called “Zen Homme” was introduced during the year. “Future Solution LX”, a prestige skincare product took the Shiseido brand to a greater height in the luxury skincare regime. As to the self-selection product, ZA continued to strengthen its market share while the hair care product, Shiseido Professional, has successfully opened two new flagship salons in two major shopping malls. Last but not least, Majolica Majorca, a makeup product for teenagers and young adults, was awarded Watson’s Best Exclusive Brand Award 2009.

Chairman's Statement

Wacoal

The Wacoal business continued to focus on intense marketing effort and strong networking with key departmental stores. Corporate social responsibility has always been viewed important by the brand. The annual pink ribbon campaign, aimed at creating awareness for breast cancer amongst ladies, was given emphasis for the first time in East Malaysia during the year.

Multi-Level-Marketing

The key product "Resviva" introduced during the year was well accepted by consumers via a group of committed and dynamic business leaders. The revenue growth was quite encouraging. Relentless effort has been put in by the management to create public awareness for the brandname "Unify".

Grooming Services

The new brandname, "GroomEXP" which stands for Grooming Expert, has gained more recognized image in the market. During the year, the first GroomEXP salon was opened and has managed to capture a reasonable level of business volume. With good customer service and professional stylists on board, this has certainly set a strong platform for the business to grow in the near future.

Chairman's Statement

Prospects

The overall travel sentiment is expected to improve in 2010 and this should translate into stronger spending. The travel business will be benefiting from this encouraging trend.

With signs of economy recovery both globally and locally, the machinery business is expected to benefit from the recovery. However, the high Yen currency remains a concern to the profit margin. In order to stay competitive, the division will continue to expand its product base and branches as well as strengthen the after sales service.

Consumer and business confidence are expected to improve in 2010 and the rise in sentiment would augur well for the retail industry and consumer products business.

With much effort from the dedicated and committed management and staff, the Group expects its performance to improve in 2010.

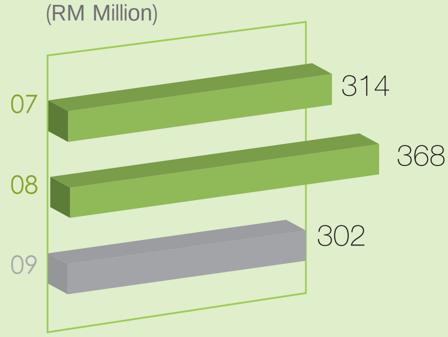
Acknowledgment

On behalf of the Board, I would like to take this opportunity to thank all our loyal shareholders, valued customers, business associates, financiers, management and staff for their continuous support to the Group throughout this challenging year. I would also like to thank my fellow Board members for their invaluable contribution to the Group during this difficult year.

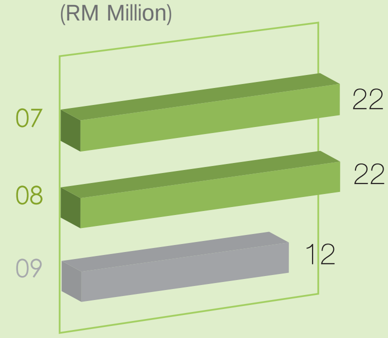
Dato' Tan Heng Chew *JP, DJMK*
Chairman
Kuala Lumpur
12 April 2010

Financial Charts

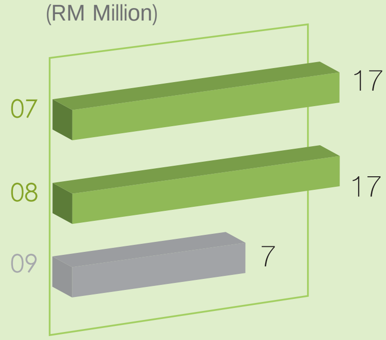
Revenue
(RM Million)



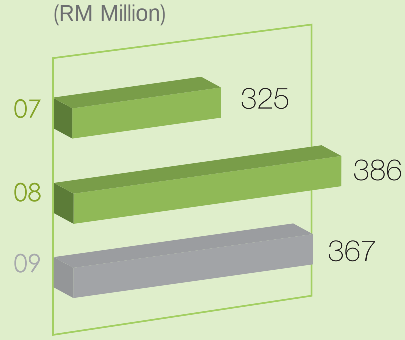
Profit before tax
(RM Million)



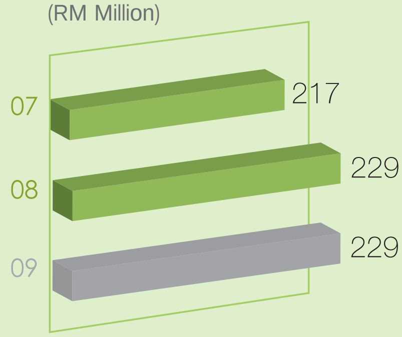
Profit after tax
(RM Million)



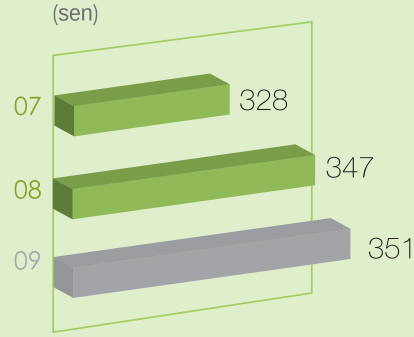
Total Assets
(RM Million)



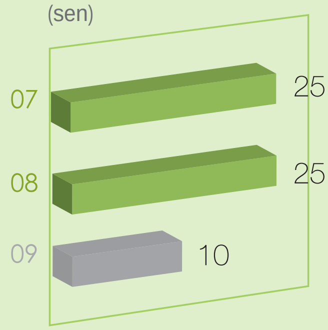
Shareholders Equity
(RM Million)



Net Assets Per Share
(sen)



Earnings Per Share
(sen)



Profile Of The Directors

Dato' Tan Heng Chew JP, DJMK

Aged 63, 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 (5) Board meetings held in 2009.

Ting Lieng Yu

Aged 53, a Malaysian, is a Non-Independent Executive Director. He was appointed to the Board on 1 November 2008 and assumed the position of Executive Deputy Chairman of the Company on 1 June 2009.

Mr Ting is a Fellow Member of the Chartered Association of Certified Accountants (CACA) United Kingdom (U.K.) and an Associate Member of the Malaysian Institute of Accountants. He started his career in a Public Accountants firm in London, U.K. in 1982. After his 2 1/2 years stint in London, he was a Management Accountant of Sarawak Shell Berhad; Senior Internal Auditor of Shell Malaysia Berhad; Head of Group Internal Audit and subsequently General Manager - Business Development, Finance & Treasury of Bank Industri Malaysia Berhad and was later seconded by Bank Industri Malaysia Berhad to Silterra Malaysia Berhad in Kulim Hi-Tech Park, Kedah as General Manager - Finance & Admin. He joined Tan Chong & Sons Motor Company Sdn Bhd in August 2000 as General Manager - Finance & Admin, Human Resources and Property; and subsequently appointed as Executive Director of Tan Chong Ekspres Auto Servis Sdn Bhd taking charge of Nissan & Renault Aftersales (workshops & spare parts) service. He was instrumental in the establishment of the financial services division of Tan Chong Motor Holdings Berhad ("TCMH"). Presently he is a director of several subsidiaries/joint-venture companies of TCMH and the Company.

Mr Ting 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 Ting attended all the five (5) Board Meetings held in 2009.

Profile Of The Directors

Ngu Ew Look

Aged 56, a Malaysian, is an Executive Director. He was appointed to the Board on 26 July 2002.

Mr Ngu is a Fellow Member 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 (5) Board Meetings held in 2009.

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

Aged 67, 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 (5) Board Meetings held in 2009.

Seow Thiam Fatt

Aged 69, 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 is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators (UK) and past Fellow of the Institute of Chartered Accountants in Australia. He is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants (MICPA). He is a past President of MICPA and also served four years as a government appointed Independent Director of the previous Kuala Lumpur Commodities Exchange (KLCE).

Mr Seow has more than 20 years' professional experience as a former Partner in the accounting firms of Larry Seow & Co, Moores Rowland and Arthur Young. He diverted from professional practice in 1994 and thereafter held senior position in several public companies and the Securities Commission of Malaysia.

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 (5) Board Meetings held in 2009.

Profile Of The Directors

Datuk Abdullah bin Abdul Wahab KMN, DPSJ, PJN

Aged 59, 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.

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.

Datuk Abdullah attended all the five (5) Board Meetings held in 2009.

Chong Kwong Chin

Aged 57, 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, a Member of the Institute of Management (UK) and a Fellow of CPA Australia. 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, and Executive Chairman of Moore Stephens AC.

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.

Mr Chong attended four (4) out of five (5) Board Meetings held in 2009.

None of the Directors had convictions for any offence within the past ten (10) 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 2009, the Board held five (5) Board Meetings. 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.

II Board Balance

The Board currently has seven (7) members comprising the Chairman, Executive Deputy Chairman, Executive Director and four (4) other Non-Executive Directors, three (3) of whom are Independent Directors. This Board composition meets the requirement of at least one-third being Independent 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 15 to 17.

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 services of the Company Secretary who is responsible for ensuring Board procedures are followed.

Corporate Governance Statement

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.

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 (3) 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.

Directors who are due for re-election by rotation in accordance with Article 96 of the Company's Articles of Association at the forthcoming Thirteenth Annual General Meeting are Datuk Abdullah bin Abdul Wahab and Mr Seow Thiam Fatt. The profiles of the Directors who are due for re-election are set out on pages 16 and 17.

V Re-election of Directors

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.

Directors who are due for re-election by rotation in accordance with Article 96 of the Company's Articles of Association at the forthcoming Thirteenth Annual General Meeting are Datuk Abdullah bin Abdul Wahab and Mr Seow Thiam Fatt. The profiles of the Directors who are due for re-election are set out on pages 16 and 17.

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 ended 31 December 2009 included, amongst others, the following:-

- FRS 139, Financial Instruments : Recognition and Measurement
- FRS 7, Financial Instruments : Disclosure
- High Level Forum for Directors of Listed Issuers – Enhancing Corporate Governance & Enforcement
- FIDE Programme – Developing High Impact Boards
- ACIIA Conference 2009 on Internal auditing – Towering experience : towards sustainable success
- Training programme for Board of Directors-Global emerging trend on money laundering and financial crime.

Corporate Governance Statement

B: DIRECTORS' REMUNERATION

The Board is of the view that the 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 2009 is as follows:

	Fees RM	Salaries & Allowance RM	Bonus RM	Benefits-in-kind RM	Total RM
Executive Directors	-	869,908	130,637	20,032	1,020,577
Non-Executive Directors	118,800	23,800	-	-	142,600

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

Range of remuneration	Executive	Non-Executive
RM50,000 and below	-	3
RM250,001 - RM300,000	1	-
RM700,001 - RM750,000	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 fostering 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 Company maintains a corporate website at www.warisantc.com.my which shareholders and investors can access for corporate information and new events relating to the Group. The Group's quarterly result announcements are also available from the Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com and serves to keep the interested shareholders and members of the public 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 Thursday, 21 May 2009 at 11.00 a.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 62.03% of the issued share capital.

Corporate Governance Statement

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 results.

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 25 and 26 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 22 to 24.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES IN CORPORATE GOVERNANCE

The Directors considered that for the financial year ended 31 December 2009, 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.

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 2009 are set out below:

Name	Designation	Attendance
Seow Thiam Fatt *Independent Non-Executive Director*	Chairman	5/5
Chong Kwong Chin *Independent Non-Executive Director*	Member	4/5
Datuk Abdullah bin Abdul Wahab *Independent Non-Executive Director*	Member	5/5

TERMS OF REFERENCE

Membership

The Committee shall be appointed by the Board of Directors ("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 amongst their number who shall be an Independent Director.

In the event of any vacancy in the Committee which results in a breach in the Main Market 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.

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.

Audit Committee Report

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, 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.

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.

Audit Committee Report

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 Main Market Listing Requirements of Bursa Securities.

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 systems 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 regard to the Main Market Listing Requirements of 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.

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:

- Establishment of a Risk Management Committee which is headed by the Executive Deputy Chairman and comprising the Executive Director and other key management personnel from respective business divisions. 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.

- Adoption of the Risk Management Oversight Policies and Procedures which outlines the risk management framework for the Group and offers practical guidance on risk management issues.

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

(i) Utilisation of Proceeds

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

(ii) Share Buy-Back

During the financial year, the Company bought back a total of 591,400 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 shares 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)
March	50,100	1.8000	1.7600	1.7999	90,874.06
April	1,400	1.9000	1.8500	1.8964	2,698.76
May	30,000	2.0000	1.9800	1.9900	60,136.11
September	184,000	2.2900	2.0500	2.2290	412,439.91
October	106,200	2.2000	2.0800	2.1861	233,526.95
November	37,300	2.2500	2.0500	2.1971	82,586.61
December	182,400	2.2000	2.0200	2.1963	402,872.06
Total	591,400				1,285,134.46

Note: *Including transaction costs

All the shares bought back during the financial year are held as treasury shares. As at 31 December 2009, a total of 1,881,400 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 RM71,635.

(vii) Variance in results

There was no significant 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

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 continues to play 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 sponsored the charity walk, "Walk For The Children", a fund raising event for the under-privileged children of Harvest Centre and activities organized by non-profitable organizations and societies. The Group also made monetary contribution to charitable organizations such as Malaysian Association for the Blind Association.

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 work diversity, human capital development as well as health and safety aspects at the workplace.

The Group has taken much effort in improving the well being of the employees through the implementation of various activities. Continuous learning and development programmes were carried out throughout the year to equip the employees with relevant skills, knowledge and experience which would enhance their competency and eventually add value to the Group. Various activities such as team building programme, leadership training, yoga and line dance classes to promote a healthy lifestyle, recognition of educational excellence for employees' children and internal fund raising to provide financial support to the needy employee were carried out to foster better relationships with the employees.

Marketplace

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 which is run in October each year, with the objective of creating awareness of breast cancer among women and to educate them in early detection of breast cancer. During the year, realizing that most programs focus their efforts in Peninsular Malaysia, Wacoal Malaysia decided to place more emphasis and attention in East Malaysia for their "Pink Ribbon" Campaign in 2009. The presence of Ms Elaine Daly (2003 Miss Malaysia Universe and actress) and Ms Carmen Soo (actress and model), who joined Wacoal Malaysia to Kuching, Miri and Kota Kinabalu had created much awareness for both the Wacoal Brand and the Breast Cancer Campaign in East Malaysia.

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, energy efficiency programmes and measures to reduce global warming were deployed by the Group during the year with the objective of preserving the environment. To reduce paper usage, employees are encouraged to adopt a paperless system for preparation of certain correspondences and documentation.

Shareholders' Statistics

as at 31 March 2010

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

Size of Holdings	No. of Holders	%	No. of Shares Held	%
1 - 99	2,207	33.25	106,082	0.16
100 - 1,000	3,434	51.73	1,157,877	1.72
1,001 - 10,000	800	12.05	2,686,165	4.00
10,001 - 100,000	145	2.18	4,935,587	7.34
100,001 - 3,292,994	49	0.74	29,967,176	44.59
3,292,994 and above	3	0.05	26,372,913	39.25
Sub-Total	6,638	100.00	65,225,800	97.06
Treasury shares			1,974,200	2.94
Total	**6,638**	**100.00**	**67,200,000**	**100.00**

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

	Name	Direct No. of Shares Held	%[1]	Indirect No. of Shares Held	%[1]
1.	Dato' Tan Heng Chew	2,364,033	3.62	31,147,982	47.75[2]
2.	Ting Lieng Yu	-	-	-	-
3.	Ngu Ew Look	10,000	0.02	-	-
4.	Dato' Haji Nadzam bin Haji Mohd Din	95,050	0.15	-	-
5.	Seow Thiam Fatt	9,000	0.01	-	-
6.	Datuk Abdullah bin Abdul Wahab	-	-	-	-
7.	Chong Kwong Chin	-	-	-	-

Note:

(1) *Excluding a total of 1,941,400 shares bought back by the Company and retained as treasury shares as at 31 March 2010.*

(2) *Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("the Act") and interest of spouse by virtue of Section 134(12)(c) of the Act.*

Shareholders' Statistics

as at 31 March 2010

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

	Name	Direct No. of Shares Held	%(6)	Indirect No. of Shares Held	%(6)
1.	Tan Chong Consolidated Sdn Bhd	21,748,570	33.34	6,074,343	9.31(1)
2.	Dato' Tan Heng Chew	2,364,033	3.62	30,045,013	46.06(2)
3.	Tan Eng Soon	-	-	30,115,013	46.17(3)
4.	Tan Kheng Leong	10,000	0.02	27,822,913	42.66(4)
5.	Lim Mee Hwa	300,000	0.46	3,000,000	4.60(5)

Notes:

(1) Indirect interest held through HSBC Nominees (Tempatan) Sdn Bhd exempt AN for HSBC (Malaysia) Trustee Bhd (as to voting rights only).

(2) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd ("WH") pursuant to Section 6A of the Companies Act, 1965 ("the Act").

(3) Deemed interest by virtue of interests in TCC, WH and Lung Ma Investments Pte Ltd pursuant to Section 6A of the Act.

(4) Deemed interest by virtue of interest in TCC pursuant to Section 6A of the Act.

(5) Deemed interest by virtue of interest in Yeoman Capital Management Pte Ltd pursuant to Section 6A of the Act.

(6) Excluding a total of 1,974,200 shares bought back by the Company and retained as treasury shares as at 31 March 2010.

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
1	Cimsec Nominees (Tempatan) Sdn Bhd *Tan Chong Consolidated Sdn Bhd*	13,440,000	20.6053
2	Tan Chong Consolidated Sdn Bhd	6,858,570	10.5151
3	HSBC Nominees (Tempatan) Sdn Bhd *Exempt AN for HSBC (Malaysia) Trustee Berhad (D09-6061)*	6,074,343	9.3128
4	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt AN for British And Malayan Trustees Limited (Yeoman 3-Rights)*	2,750,000	4.2161
5	Cartaban Nominees (Asing) Sdn Bhd *SCBHK for Platinum Broking Company Limited-Client a/c*	2,300,000	3.5262
6	Wealthmark Holdings Sdn Bhd	2,222,100	3.4068
7	M & A Securities Sdn Bhd *IVT (B)*	1,781,500	2.7313
8	Tan Boon Hooi	1,516,671	2.3253
9	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Austral International Holdings Limited*	1,396,100	2.1404
10	Key Development Sdn Berhad	1,130,000	1.7325
11	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Khor Swee Wah @ Koh Bee Leng (MM1208)*	1,102,969	1.6910
12	HSBC Nominees (Asing) Sdn Bhd *RBS Coutts SG for Cyber Structure Ltd*	1,100,000	1.6865
13	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Tan Heng Chew (MM1063)*	1,054,600	1.6169
14	Cimsec Nominees (Tempatan) Sdn Bhd *Allied Investments Limited for Tan Chong Consolidated Sdn Bhd*	1,000,000	1.5331
15	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Drylon Holdings Limited*	1,000,000	1.5331

Shareholders' Statistics

as at 31 March 2010

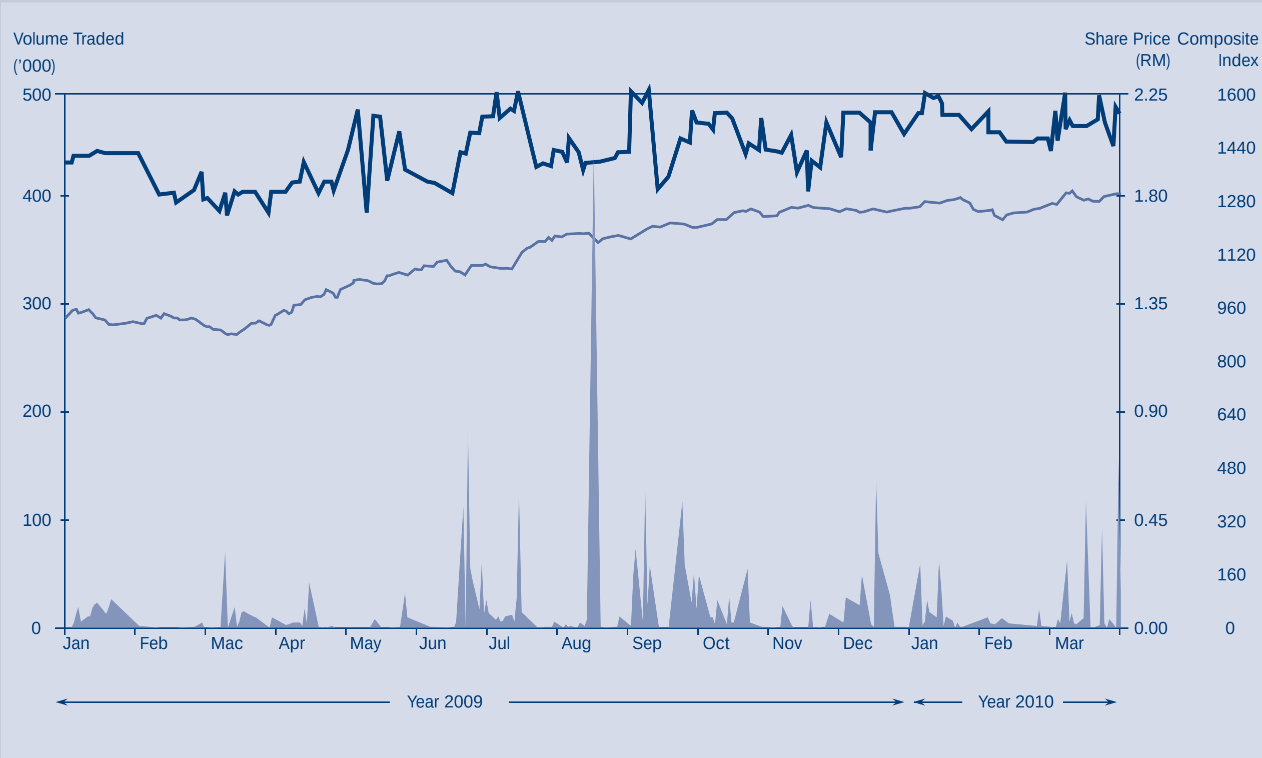
THIRTY LARGEST SHAREHOLDERS *(continued)*

	Name	No. of Shares Held	%*
16	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Haveling Estates Limited*	900,000	1.3798
17	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Noble Pacific Mutual Fund Limited*	774,000	1.1867
18	Wong Yu @ Wong Wing Yu	730,000	1.1192
19	Gan Teng Siew Realty Sdn Berhad	692,500	1.0617
20	Tan Kim Hor	589,831	0.9043
21	Chinchoo Investment Sdn Berhad	583,700	0.8949
22	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (8041121)*	558,300	0.8560
23	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chong Consolidated Sdn Bhd (014011528927)*	450,000	0.6899
24	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (473963)*	375,000	0.5749
25	Rengo Malay Estate Sendirian Berhad	330,000	0.5059
26	M & A Nominee (Asing) Sdn Bhd *Pedigree Limited*	329,800	0.5056
27	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Merrill Lynch Pierce Fenner & Smith Incorporated (foreign)	312,755	0.4795
28	HDM Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for Lim Mee Hwa*	300,000	0.4599
29	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Lim Soon (E-KPG)*	280,000	0.4293
30	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd *Kim Eng Securities Pte Ltd for Lem Kim Wan @ Lim Hong Gee*	274,100	0.4202
	TOTAL	**52,206,839**	**80.0402**

Note :

* *Excluding a total of 1,974,200 shares bought back by the Company and retained as treasury shares as at 31 March 2010.*

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 2009

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	33	1.10.1977	1984
Lot 9, Jalan Delima 1/1 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop & vehicle storage yard	98,349	53,766	Freehold	4.5	17	20.12.1990	-
43 Jalan IMJ 3 Taman Industry Malim Jaya 75050 Malacca	Office and workshop	11,087	3,700	Leasehold 18.11.2095	0.4	13	12.12.1996	-
19 Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	0.6	17	20.5.2000	-
Lot 1A Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2058	10.2	35	10.9.2004	2009
Lot 29 Jalan Delima 1/3 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop vehicle and storage yard	125,871	40,808	Freehold	7.6	17	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	32	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	2.8	9	5.4.2007	-
No 1 Jalan Metro Pudu Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	Commercial shop office	2,902	16,296	Freehold	10.8	2	6.6.2008	2008
610 Jalan Nilai 3/15 Kawasan Perindustrian Nilai 3, 71800 Nilai Negeri Sembilan	Industrial building	3,003	3,003	Freehold	0.2	10	20.7.2004	-

Statement On Directors' Responsibility 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 2009, 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.

Directors' Report

for the year ended 31 December 2009

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 2009.

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	6,820	5,260
Unappropriated profit brought forward	204,968	100,554
Profit available for appropriation	211,788	105,814
Dividends	(4,936)	(4,936)
Unappropriated profit carried forward	206,852	100,878

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 2008, as proposed in the Directors' Report for that year:	
- a final dividend of 5% less tax at 25%	2,469,675
In respect of the financial year ended 31 December 2009:	
- an interim dividend of 5% less tax at 25%	2,465,925
	4,935,600

The Directors proposed the payment of a final dividend of 6% less tax at 25% in respect of the financial year ended 31 December 2009.

Directors' Report

for the year ended 31 December 2009

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 49 and 54.

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% of the Company's issued share capital or up to 6,720,000 ordinary shares of RM1.00 each. The authority from shareholders has been renewed at each of the subsequent AGMs of the Company, the latest being the AGM held on 21 May 2009. The authority will expire at the conclusion of the forthcoming AGM.

At 31 December 2009, 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
2008	332,700	1.95	649,382
2009	591,400	2.17	1,285,134
	1,881,400		3,679,261

DIRECTORS

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

Dato' Tan Heng Chew
Ting Lieng Yu
Ngu Ew Look
Dato' Haji Nadzam bin Haji Mohd Din
Seow Thiam Fatt
Datuk Abdullah bin Abdul Wahab
Chong Kwong Chin

Directors' Report

for the year ended 31 December 2009

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 1.1.2009	Additional	Disposal	At 31.12.2009
Dato' Tan Heng Chew				
- direct interest	1,197,033	1,166,900	-	2,363,933
- indirect interest	28,653,333	2,222,100	830,420	30,045,013 ^
- indirect interest	772,969	330,000	-	1,102,969 #
Ngu Ew Look				
- direct interest	10,000	-	-	10,000
Dato' Haji Nadzam bin Haji Mohd Din				
- direct interest	95,050	-	-	95,050
Seow Thiam Fatt				
- direct interest	6,000	3,000	-	9,000

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

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 all the subsidiaries to the extent that the Company has an interest.

The other Directors holding office at 31 December 2009 did not have any interest in the ordinary shares of the Company and its related corporations during the financial year.

Directors' Report

for the year ended 31 December 2009

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 except for any benefits which may be deemed to be have arisen from transactions disclosed in Note 31(c) 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 that 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.

Directors' Report

for the year ended 31 December 2009

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, Mazars, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a Directors' resolution dated 12 April 2010

TING LIENG YU
Director

NGU EW LOOK
Director

Independent Auditors' Report

to the members of Warisan TC Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Warisan TC Holdings Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 43 to 106, except for pages 46 to 48 which are expressed in USD equivalent.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report

to the members of Warisan TC Holdings Berhad

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, and which are indicated in note 6 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit report on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS
No. AF: 1954
Chartered Accountants

TANG KIN KHEONG
No. 1501/9/11 (J/PH)
Partner

Kuala Lumpur
12 April 2010

Consolidated Balance Sheet

31 December 2009

	Note	2009 RM'000	2008 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*3*	**137,084**	155,166
Prepaid lease payments	*5*	**10,003**	10,208
Other investments	*8*	**35**	35
Finance lease receivables	*9*	**6,923**	5,389
Deferred tax assets	*10*	**765**	551
Intangible asset	*11*	**5,944**	6,550
		160,754	177,899
CURRENT ASSETS			
Inventories	*12*	**67,564**	75,487
Trade and other receivables	*13*	**69,465**	78,952
Current tax assets		**2,352**	2,527
Fixed deposits	*14*	**44,075**	28,782
Cash and bank balances		**22,783**	22,426
		206,239	208,174
TOTAL ASSETS		**366,993**	386,073
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*15*	**67,200**	67,200
Share premium		**615**	615
Treasury shares	*16*	**(3,679)**	(2,394)
Merger reserve		**(41,614)**	(41,614)
Translation reserve		**(187)**	(136)
Unappropriated profit		**206,852**	204,968
Total equity attributable to shareholders of the Company		**229,187**	228,639
Minority interests		**-**	-
TOTAL EQUITY		**229,187**	228,639

Consolidated Balance Sheet

31 December 2009

	Note	2009 RM'000	2008 RM'000
NON-CURRENT LIABILITIES			
Bank term loans (unsecured)	*17*	**14,821**	20,274
Retirement benefit obligations	*18*	**2,043**	1,988
Deferred tax liabilities	*19*	**10,016**	6,973
		26,880	29,235
CURRENT LIABILITIES			
Trade and other payables	*20*	**70,342**	81,652
Bank borrowings (unsecured)	*21*	**39,509**	44,434
Current tax liabilities		**1,075**	2,113
		110,926	128,199
TOTAL LIABILITIES		**137,806**	157,434
TOTAL EQUITY AND LIABILITIES		**366,993**	386,073

Notes to and forming part of the financial statements are set out on pages 57 to 106
Auditors' Report - Pages 41 to 42

Consolidated Income Statement

for the year ended 31 December 2009

	Note	2009 RM'000	2008 RM'000
Revenue	22	**301,754**	368,173
Cost of sales		**(206,783)**	(259,354)
Gross profit		**94,971**	108,819
Other operating income		**3,299**	5,289
Selling and distribution costs		**(47,857)**	(52,140)
Administrative and general expenses		**(36,984)**	(39,693)
Profit from operations	23	**13,429**	22,275
Net profit from investing activities	24	**761**	1,521
Finance costs	25	**(2,146)**	(1,897)
Profit before tax		**12,044**	21,899
Tax expense	26	**(5,224)**	(5,240)
Net profit for the year		**6,820**	16,659
Attributable to:			
Shareholders of the Company		**6,820**	16,811
Minority interests		**-**	(152)
		6,820	16,659
Basic earnings per share (sen)	27	**10.37**	25.43
Dividend per share (net of tax) (sen)	28	**7.5**	7.4

Notes to and forming part of the financial statements are set out on pages 57 to 106
Auditors' Report - Pages 41 to 42

Consolidated Balance Sheet

31 December 2009 (In USD equivalent)

	2009 USD'000	2008 USD'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	**39,966**	44,716
Prepaid lease payments	**2,916**	2,942
Other investments	**10**	10
Finance lease receivables	**2,019**	1,553
Deferred tax assets	**223**	159
Intangible asset	**1,733**	1,888
	46,867	51,268
CURRENT ASSETS		
Inventories	**19,698**	21,754
Trade and other receivables	**20,252**	22,753
Current tax assets	**686**	728
Fixed deposits	**12,850**	8,294
Cash and bank balances	**6,642**	6,463
	60,128	59,992
TOTAL ASSETS	**106,995**	111,260
EQUITY AND LIABILITIES		
EQUITY		
Share capital	**19,592**	19,366
Share premium	**179**	177
Treasury shares	**(1,073)**	(690)
Merger reserve	**(12,132)**	(11,993)
Translation reserve	**(55)**	(39)
Unappropriated profit	**60,307**	59,069
Total equity attributable to shareholders of the Company	**66,818**	65,890
Minority interests	-	-
TOTAL EQUITY	**66,818**	65,890

Consolidated Balance Sheet

31 December 2009 (In USD equivalent)

	2009 USD'000	2008 USD'000
NON-CURRENT LIABILITIES		
Bank term loans (unsecured)	**4,321**	5,843
Retirement benefit obligations	**596**	573
Deferred tax liabilities	**2,920**	2,009
	7,837	8,425
CURRENT LIABILITIES		
Trade and other payables	**20,508**	23,531
Bank borrowings (unsecured)	**11,519**	12,805
Current tax liabilities	**313**	609
	32,340	36,945
TOTAL LIABILITIES	**40,177**	45,370
TOTAL EQUITY AND LIABILITIES	**106,995**	111,260

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2009 and 2008 are converted into USD equivalent using exchange rates RM3.43 = USD1.00 and RM3.47 = USD1.00 respectively which approximate that prevailing on the balance sheets dates.

Consolidated Income Statement

for the year ended 31 December 2009 (In USD equivalent)

	2009 USD'000	2008 USD'000
Revenue	**87,975**	106,102
Cost of sales	**(60,287)**	(74,742)
Gross profit	**27,688**	31,360
Other operating income	**962**	1,524
Selling and distribution costs	**(13,953)**	(15,026)
Administrative and general expenses	**(10,782)**	(11,439)
Profit from operations	**3,915**	6,419
Net profit from investing activities	**222**	438
Finance costs	**(626)**	(546)
Profit before tax	**3,511**	6,311
Tax expense	**(1,523)**	(1,510)
Net profit for the year	**1,988**	4,801
Attributable to:		
Shareholders of the Company	**1,988**	4,845
Minority interests	**-**	(44)
	1,988	4,801
Basic earnings per share (sen)	**3.02**	7.33
Dividend per share (net of tax) (sen)	**2.2**	2.1

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2009 and 2008 are converted into USD equivalent using exchange rates RM3.43 = USD1.00 and RM3.47 = USD1.00 respectively which approximate that prevailing on the balance sheets dates.

Consolidated Statement Of Changes In Equity

for the year ended 31 December 2009

		Attributable to shareholders of the Company								
		Non-distributable					Distributable			
	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Unappropriated profit RM'000	Total RM'000	Minority Interest RM'000	Total equity RM'000
At 1 January 2008		67,200	615	(1,745)	(41,614)	(297)	193,052	217,211	152	217,363
Net gain not recognised in the income statement - Foreign exchange translation		-	-	-	-	161	-	161	-	161
Treasury shares acquired		-	-	(649)	-	-	-	(649)	-	(649)
Net profit for the year		-	-	-	-	-	16,811	16,811	(152)	16,659
Dividends paid	*28*	-	-	-	-	-	(4,895)	(4,895)	-	(4,895)
At 31 December 2008		67,200	615	(2,394)	(41,614)	(136)	204,968	228,639	-	228,639
Net loss not recognised in the income statement - Foreign exchange translation		-	-	-	-	(51)	-	(51)	-	(51)
Treasury shares acquired		-	-	(1,285)	-	-	-	(1,285)	-	(1,285)
Net profit for the year		-	-	-	-	-	6,820	6,820	-	6,820
Dividends paid	*28*	-	-	-	-	-	(4,936)	(4,936)	-	(4,936)
At 31 December 2009		**67,200**	**615**	**(3,679)**	**(41,614)**	**(187)**	**206,852**	**229,187**	**-**	**229,187**

Consolidated Cash Flow Statement

for the year ended 31 December 2009

	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**12,044**	21,899
Adjustments for:		
Allowance for doubtful debts, net of write backs	**(70)**	1,683
Amortisation of prepaid lease payments	**205**	205
Bad debts written off	**57**	661
Depreciation	**28,886**	26,765
Gain on disposal of property, plant and equipment	**(119)**	(2,004)
Goodwill written off	**606**	-
Impairment loss on property, plant and equipment	**-**	80
Impairment loss on property, plant and equipment written back	**(80)**	-
Interest expense	**2,146**	1,897
Interest income	**(761)**	(1,521)
Inventory written off/down	**1,403**	1,626
Property, plant and equipment written off	**198**	62
Retirement benefits	**341**	1,637
Unrealised (gain)/loss on foreign exchange (net)	**(308)**	17
Operating profit before working capital changes	**44,548**	53,007
Changes in inventories	**6,520**	(24,979)
Changes in receivables	**7,966**	(13,720)
Changes in payables	**(11,002)**	16,016
Cash generated from operations	**48,032**	30,324
Tax paid, net of refunds	**(3,258)**	(6,675)
Retirement benefits paid	**(286)**	(307)
Net cash from operating activities	**44,488**	23,342
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(23,284)**	(84,314)
Proceeds from disposal of property, plant and equipment	**12,481**	14,706
Interest received	**761**	1,521
Withdrawal of fixed deposit	**75**	-
Net cash used in investing activities	**(9,967)**	(68,087)

Consolidated Cash Flow Statement

for the year ended 31 December 2009

	2009 RM'000	2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank term loans	**3,439**	30,000
Repayment of bank term loans	**(9,575)**	(8,282)
Drawdown of revolving credits	**15,000**	14,500
Repayment of revolving credits	**(10,000)**	-
Repayment of bankers' acceptances (net)	**(9,242)**	(2,712)
Dividends paid	**(4,936)**	(4,895)
Interest paid	**(2,146)**	(1,897)
Treasury shares acquired	**(1,285)**	(649)
Net cash (used in)/from financing activities	**(18,745)**	26,065
NET CHANGES IN CASH AND CASH EQUIVALENTS	**15,776**	(18,680)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**51,133**	69,652
Foreign exchange differences	**(51)**	161
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**66,858**	51,133
Represented by:		
CASH AND BANK BALANCES	**22,783**	22,426
FIXED DEPOSITS (excluding deposits pledged)	**44,075**	28,707
	66,858	51,133

Notes to and forming part of the financial statements are set out on pages 57 to 106
Auditors' Report - Pages 41 to 42

Balance Sheet

31 December 2009

	Note	2009 RM'000	2008 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*3*	**537**	527
Investment properties	*4*	**21,000**	19,800
Investment in subsidiary companies	*6*	**80,633**	78,520
Investment in jointly controlled entities	*7*	**24,568**	24,568
Deferred tax assets	*10*	**112**	112
		126,850	123,527
CURRENT ASSETS			
Trade and other receivables	*13*	**32,769**	40,072
Current tax assets		**1,438**	1,333
Fixed deposits	*14*	**15,616**	12,784
Cash and bank balances		**1,696**	2,728
		51,519	56,917
TOTAL ASSETS		**178,369**	180,444
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*15*	**67,200**	67,200
Treasury shares	*16*	**(3,679)**	(2,394)
Revaluation reserve		**930**	930
Unappropriated profit		**100,878**	100,554
TOTAL EQUITY		**165,329**	166,290
NON-CURRENT LIABILITIES			
Retirement benefit obligations	*18*	**441**	620
CURRENT LIABILITIES			
Trade and other payables	*20*	**12,599**	13,534
TOTAL LIABILITIES		**13,040**	14,154
TOTAL EQUITY AND LIABILITIES		**178,369**	180,444

Notes to and forming part of the financial statements are set out on pages 57 to 106
Auditors' Report - Pages 41 to 42

Income Statement

for the year ended 31 December 2009

	Note	2009 RM'000	2008 RM'000
Revenue	*22*	**872**	872
Other operating income		**46**	558
Administrative and general expenses		**(4,112)**	(5,515)
Loss from operations	*23*	**(3,194)**	(4,085)
Net profit from investing activities	*24*	**9,046**	6,354
Finance costs	*25*	**(221)**	(662)
Profit before tax		**5,631**	1,607
Tax expense	*26*	**(371)**	(917)
Net profit for the year		**5,260**	690

Notes to and forming part of the financial statements are set out on pages 57 to 106
Auditors' Report - Pages 41 to 42

Statement Of Changes In Equity

for the year ended 31 December 2009

	Note	← Non-distributable Share capital RM'000	Treasury shares RM'000	Revaluation reserve → RM'000	Distributable Unappropriated profit RM'000	Total RM'000
At 1 January 2008		67,200	(1,745)	930	104,759	171,144
Treasury shares acquired		-	(649)	-	-	(649)
Net profit for the year		-	-	-	690	690
Dividends paid	*28*	-	-	-	(4,895)	(4,895)
At 31 December 2008		67,200	(2,394)	930	100,554	166,290
Treasury shares acquired		-	(1,285)	-	-	(1,285)
Net profit for the year		-	-	-	5,260	5,260
Dividends paid	*28*	-	-	-	(4,936)	(4,936)
At 31 December 2009		**67,200**	**(3,679)**	**930**	**100,878**	**165,329**

Notes to and forming part of the financial statements are set out on pages 57 to 106
Auditors' Report - Pages 41 to 42

Cash Flow Statement

for the year ended 31 December 2009

	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**5,631**	1,607
Adjustments for:		
Depreciation	**132**	404
Dividend income	**(5,950)**	(7,875)
Fair value adjustment on investment properties	**(1,200)**	(5,600)
(Gain)/Loss on disposal of property, plant and equipment	**(26)**	2
Impairment in value of investment in subsidiary companies	**-**	7,978
Impairment in value of investment in subsidiary companies written back	**(1,563)**	-
Interest income	**(333)**	(857)
Interest expense	**221**	662
Retirement benefits	**45**	779
Operating loss before working capital changes	**(3,043)**	(2,900)
Changes in receivables	**7,303**	(6,954)
Changes in payables	**(935)**	(3,271)
Cash generated from/(utilised in) operations	**3,325**	(13,125)
Tax refunded	**511**	-
Retirement benefits paid	**(224)**	(236)
Net cash from/(used in) operating activities	**3,612**	(13,361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(173)**	(21)
Proceeds from disposal of property, plant and equipment	**57**	-
Acquisition of additional shares in subsidiary companies	**(550)**	-
Interest received	**333**	857
Dividends received from subsidiary companies	**4,000**	4,000
Dividends received from jointly controlled entities	**963**	2,347
Net cash from investing activities	**4,630**	7,183

Cash Flow Statement

for the year ended 31 December 2009

	2009 RM'000	2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(221)**	(657)
Dividends paid	**(4,936)**	(4,895)
Treasury shares acquired	**(1,285)**	(649)
Net cash used in financing activities	**(6,442)**	(6,201)
NET CHANGES IN CASH AND CASH EQUIVALENTS	**1,800**	(12,379)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**15,512**	27,891
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**17,312**	15,512
Represented by:		
CASH AND BANK BALANCES	**1,696**	2,728
FIXED DEPOSITS	**15,616**	12,784
	17,312	15,512

Notes to and forming part of the financial statements are set out on pages 57 to 106
Auditors' Report - Pages 41 to 42

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with applicable approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") 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) New/revised FRSs, Issue Committee Interpretations ("IC Interpretations") and Amendments to FRSs that are not yet effective

The Group and the Company have not adopted the following new/revised FRSs and IC Interpretations (including its consequential amendments) that have been issued by the MASB but are not yet effective:

New FRSs, Amendments to FRSs and IC Interpretations		**Effective for financial periods beginning on or after**
FRS 1	First-time Adoptions of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs (revised)	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
	Improvements to FRSs (2009)	1 January 2010
	Improvements to FRSs (2010)	1 July 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distribution of Non-Cash Assets to Owners	1 July 2010

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs and IC Interpretations.

The above new FRSs, Amendments to FRSs and IC Interpretations are not expected to have significant impact on the financial statements of the Group and the Company upon their initial application except for the changes arising from the adoption of FRS 7 and FRS 139.

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) New/revised FRSs, Issue Committee Interpretations ("IC Interpretations") and Amendments to FRSs that are not yet effective *(continued)*

The Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 7 and FRS 139.

FRS 101 - Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

(c) 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 2009 were RM137,084,000 and RM537,000 (2008 : RM155,166,000 and RM527,000), respectively.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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.

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 2009 was RM67,564,000 (2008 : RM75,487,000).

Allowance for doubtful debts

The collectability 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 2009 were RM69,465,000 and RM32,769,000 (2008 : RM78,952,000 and RM40,072,000), 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 2009 was RM5,944,000 (2008 : RM6,550,000).

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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.

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 2009 were RM3,117,000 and RM1,550,000 (2008 : RM3,078,000 and RM1,445,000), respectively.

The carrying amount of the Group's tax liabilities as at 31 December 2009 was RM11,091,000 (2008 : RM9,086,000).

(d) 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 carrying amounts as at 31 December 2009.

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

(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.

(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 and capital work-in-progress are 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

Capital work-in-progress will only be depreciated when the assets are ready for their intended use.

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.

(e) 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.

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) 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.

(g) 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(d) above.

(h) 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, investments 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.

(i) 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 specifically identified 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 companies 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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Basis of consolidation *(continued)*

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.

(j) 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 proportionate consolidation 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.

In previous year, investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting. As permitted by FRS 131 - Interests in Joint Ventures, the Company has recognised its interest in jointly controlled entities using proportionate consolidation during the current financial year to give more reflective presentation of the Group's financial statements. The effect of changes in the accounting policy are disclosed in Notes 38 and 39.

(k) 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.

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on either the specific identification, standard cost basis or weighted average basis, depending on the nature of the inventories. Cost comprises the landed cost of goods purchased, other costs incurred in bringing the inventories to their present location and condition, 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.

(m) 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.

(n) Government grants

Government grants are recognised initially at their fair value in the balance sheet as deferred income where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants that compensate the Company for expenses incurred are recognised as income over the periods necessary to match the grants on a systematic basis to the costs that it is intended to compensate.

(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.

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Impairment of assets *(continued)*

(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.

(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.

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Foreign currencies *(continued)*

(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.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

Defined benefit plan

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.

Notes To The Financial Statements

for the year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

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.

Notes To The Financial Statements

for the year ended 31 December 2009

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.

Notes To The Financial Statements

for the year ended 31 December 2009

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.

Notes To The Financial Statements

for the year ended 31 December 2009

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	Capital work-in-progress RM'000	Total RM'000
2009											
Cost/valuation											
At 1 January											
Cost	15,437	13,319	1,865	30,016	24,347	2,166	48,048	96,929	151	628	232,906
Valuation	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	14,498	1,865	30,016	24,347	2,166	48,048	96,929	151	628	234,085
Additions	-	-	1	3,742	3,878	820	2,395	11,993	-	455	23,284
Disposals	-	-	(2)	(4,951)	(220)	-	(7,615)	(16,879)	-	-	(29,667)
Reclassification	-	255	-	-	198	-	64	(64)	-	(453)	-
Write-off	-	-	(4)	-	(889)	-	-	-	-	(45)	(938)
At 31 December											
Cost	15,437	13,574	1,860	28,807	27,314	2,986	42,892	91,979	151	585	225,585
Valuation	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	14,753	1,860	28,807	27,314	2,986	42,892	91,979	151	585	226,764
Accumulated depreciation											
At 1 January	-	1,868	1,530	18,736	16,891	1,677	15,995	22,115	107	-	78,919
Charge for the year	-	281	102	4,029	3,355	237	5,940	14,929	13	-	28,886
Disposals	-	-	(1)	(4,026)	(170)	-	(4,471)	(8,637)	-	-	(17,305)
Reclassification	-	-	-	-	-	-	(20)	20	-	-	-
Impairment loss	-	-	-	-	(80)	-	-	-	-	-	(80)
Write-off	-	-	(5)	-	(735)	-	-	-	-	-	(740)
At 31 December	-	2,149	1,626	18,739	19,261	1,914	17,444	28,427	120	-	89,680
Net carrying amount At 31 December											
Cost	15,437	11,681	234	10,068	8,053	1,072	25,448	63,552	31	585	136,161
Valuation	-	923	-	-	-	-	-	-	-	-	923
	15,437	**12,604**	**234**	**10,068**	**8,053**	**1,072**	**25,448**	**63,552**	**31**	**585**	**137,084**

Notes To The Financial Statements

for the year ended 31 December 2009

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	Capital work-in-progress RM'000	Total RM'000
2008											
Cost/valuation											
At 1 January											
Cost	8,367	10,364	1,856	35,261	20,951	1,275	53,391	52,255	149	-	183,869
Valuation	-	1,179	-	-	-	-	-	-	-	-	1,179
	8,367	11,543	1,856	35,261	20,951	1,275	53,391	52,255	149	-	185,048
Additions	7,070	3,223	8	3,339	4,177	268	9,187	56,412	2	628	84,314
Disposals	-	-	-	(8,584)	(15)	-	(14,530)	(11,738)	-	-	(34,867)
Reclassification	-	(268)	1	-	(381)	648	-	-	-	-	-
Write-off	-	-	-	-	(385)	(25)	-	-	-	-	(410)
At 31 December											
Cost	15,437	13,319	1,865	30,016	24,347	2,166	48,048	96,929	151	628	232,906
Valuation	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	14,498	1,865	30,016	24,347	2,166	48,048	96,929	151	628	234,085
Accumulated depreciation											
At 1 January	-	1,823	1,428	19,901	14,521	711	19,360	16,749	94	-	74,587
Charge for the year	-	254	104	5,291	2,906	500	5,777	11,920	13	-	26,765
Disposals	-	-	-	(6,456)	(13)	-	(9,142)	(6,554)	-	-	(22,165)
Reclassification	-	(209)	(2)	-	(271)	482	-	-	-	-	-
Write-off	-	-	-	-	(332)	(16)	-	-	-	-	(348)
Impairment loss	-	-	-	-	80	-	-	-	-	-	80
At 31 December	-	1,868	1,530	18,736	16,891	1,677	15,995	22,115	107	-	78,919
Net carrying amount At 31 December											
Cost	15,437	11,698	335	11,280	7,456	489	32,053	74,814	44	628	154,234
Valuation	-	932	-	-	-	-	-	-	-	-	932
	15,437	12,630	335	11,280	7,456	489	32,053	74,814	44	628	155,166

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
2009				
Cost				
At 1 January	823	276	697	1,796
Additions	22	19	132	173
Disposals	-	(14)	(185)	(199)
Write-off	-	(5)	-	(5)
At 31 December	845	276	644	1,765
Accumulated depreciation				
At 1 January	823	163	283	1,269
Charge for the year	7	38	87	132
Disposals	-	(9)	(159)	(168)
Write-off	-	(5)	-	(5)
At 31 December	830	187	211	1,228
Net carrying amount				
At 31 December	**15**	**89**	**433**	**537**

Notes To The Financial Statements

for the year ended 31 December 2009

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
2008				
Cost				
At 1 January	823	260	697	1,780
Additions	-	21	-	21
Disposals	-	(5)	-	(5)
At 31 December	823	276	697	1,796
Accumulated depreciation				
At 1 January	548	128	192	868
Charge for the year	275	38	91	404
Disposals	-	(3)	-	(3)
At 31 December	823	163	283	1,269
Net carrying amount				
At 31 December	-	113	414	527

	Net carrying amount 2009 RM'000	Net carrying amount 2008 RM'000
The Group's buildings are situated as follows:		
On leasehold land classified as prepaid lease payments	**2,229**	2,268
On freehold land	**10,125**	10,106
In a multi-storey office complex with strata title	**250**	256
	12,604	12,630

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 carrying amount 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	
	2009	2008
	RM'000	RM'000
At 1 January	**19,800**	14,200
Changes in fair value	**1,200**	5,600
At 31 December	**21,000**	19,800

Investment properties comprise:

Long term leasehold land	**18,000**	17,500
Buildings	**3,000**	2,300
	21,000	19,800

The fair value of the investment properties at 31 December 2009 is based on a valuation carried out by Rahim & Co Chartered Surveyors Sdn Bhd on 31 December 2009.

5. PREPAID LEASE PAYMENTS

	Group	
	2009	2008
	RM'000	RM'000
Long leasehold land		
Cost		
At 1 January	**11,525**	11,525
Addition/Disposal	**-**	-
At 31 December	**11,525**	11,525
Accumulated depreciation		
At 1 January	**1,317**	1,112
Charge for the year	**205**	205
At 31 December	**1,522**	1,317
Net carrying amount		
At 31 December	**10,003**	10,208

Notes To The Financial Statements

for the year ended 31 December 2009

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2009 RM'000	Company 2008 RM'000
Unquoted shares, at cost	**103,368**	102,818
Impairment loss	**(22,735)**	(24,298)
	80,633	78,520

The subsidiary companies are as follows:

	Equity interest 2009 %	Equity interest 2008 %	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	Dormant
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	Dormant
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 out-bound tours, rental of cars and coaches as well as air-ticketing services

6. INVESTMENT IN SUBSIDIARY COMPANIES *(continued)*

	Equity interest 2009 %	Equity interest 2008 %	Country of incorporation	Principal activities
Discovery Tours (Sabah) Sdn Bhd (100% of equity is held by Mayflower Acme Tours Sdn Bhd)	**100**	100	Malaysia	Operation of inbound and out-bound tours, rental of cars and coaches as well as air-ticketing services
Warisan Captive Incorporated *	**100**	100	Labuan Malaysia	Underwriting of captive insurance
Belize Holdings Sdn Bhd +	**100**	100	Malaysia	Investment holding
Excess Line Sdn Bhd	**100**	100	Malaysia	Money changer
Comit Communications Technologies (M) Sdn Bhd +	**100**	100	Malaysia	Dormant
Virtual Travel Sdn Bhd +	**100**	100	Malaysia	Dormant
Grooming Expert Sdn Bhd + (formerly known as HairBiz Professionals Sdn Bhd)	**100**	100	Malaysia	Hairdressing salons and beauty parlours
Angka-Tan Motor Sdn Bhd + (formerly known as Angka-Tan Machinery Sdn Bhd)	**100**	100	Malaysia	Dormant
Mayflower (Labuan) Pte Ltd *	**100**	100	Labuan Malaysia	Investment holding
Mayflower- My 2nd Home (MM2H) Sdn Bhd+	**100**	100	Malaysia	Dormant
Mayflower Vietnam Pte Ltd *	**100**	-	Vietnam	Manufacturing, assembly, distribution, maintaining and repairing of generator sets
Mayflower Holidays Sdn Bhd	**100**	-	Malaysia	Dormant
Warisan Automotif Holdings Sdn Bhd	**100**	-	Malaysia	Dormant
ATM (Labuan) Pte Ltd *	**100**	-	Labuan Malaysia	Dormant

\+ Subsidiary companies which are consolidated on the merger method of accounting
* Not audited by Mazars

Notes To The Financial Statements

for the year ended 31 December 2009

7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	**24,568**	24,568

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

Name	Proportion of ownership interest 2009 %	2008 %	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 ladies under-garments
Shiseido Malaysia Sdn Bhd*	**50**	50	Distribution and sale of cosmetics and consumer products

* Not audited by Mazars

8. OTHER INVESTMENTS

	Group	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	**35**	35

9. FINANCE LEASE RECEIVABLES

	Group	
	2009	**2008**
	RM'000	**RM'000**
Finance lease instalments receivable		
- not later than one year	**8,488**	7,440
- later than one year but not later than five years	**7,476**	5,748
	15,964	13,188
Unexpired term charges	**(1,335)**	(1,019)
Outstanding principal	**14,629**	12,169
Outstanding principal receivable not later than one year *(see note 13)*	**(7,706)**	(6,780)
Outstanding principal receivable later than one year but not later than five years	**6,923**	5,389

The interest rate of the finance leases is 5% - 6% (2008 : 3% - 6%) per annum depending on the amount financed and the tenure of the lease.

10. DEFERRED TAX ASSETS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of the year	**551**	773	**112**	87
Origination/(Reversal) for the year (net)	**214**	(222)	**-**	25
At 31 December	**765**	551	**112**	112

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.

Notes To The Financial Statements

for the year ended 31 December 2009

10. DEFERRED TAX ASSETS *(continued)*

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
The deferred tax assets arose from:				
Deductible temporary differences on				
- unabsorbed capital allowances	**(116)**	232	**-**	-
- other temporary differences	**1,479**	1,068	**163**	171
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	**(598)**	(749)	**(51)**	(59)
	765	551	**112**	112

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

	Group 2009 RM'000	Group 2008 RM'000
(Taxable)/Deductible temporary differences		
- between net carrying amount and tax written down value of property, plant and equipment	**(282)**	(304)
- unused tax losses	**1,515**	1,515
- unabsorbed capital allowances	**690**	459
- other temporary differences	**34**	109
	1,957	1,779

11. INTANGIBLE ASSET

	Group 2009 RM'000	Group 2008 RM'000
Goodwill		
Cost		
At 1 January	**6,550**	6,550
Write-off	**(606)**	-
At 31 December	**5,944**	6,550
Accumulated amortisation		
At 1 January	**-**	-
Charge for the year	**-**	-
At 31 December	**-**	-
Net carrying amount		
At 31 December	**5,944**	6,550

Impairment testing of goodwill

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

	2009 RM'000	2008 RM'000
Inbound and outbound tours, the provision of cars and coaches for rental and leasing as well as air-ticketing services	**-**	606
Cosmetics and consumer products	**4,183**	4,183
Ladies under-garments	**1,761**	1,761
	5,944	6,550

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	52% - 60%
Growth rate	5% - 10%
Discount rate	3.6% - 6%
Risk free rate	3.5% - 3.7%

Notes To The Financial Statements

for the year ended 31 December 2009

11. INTANGIBLE ASSET *(continued)*

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 is 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					
		2009			2008	
	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	**3,248**	**-**	**3,248**	2,764	-	2,764
Work-in-progress	**230**	**-**	**230**	155	-	155
Heavy equipment & machinery	**37,202**	**3,705**	**40,907**	46,198	2,013	48,211
Trading inventories	**12,525**	**869**	**13,394**	12,154	737	12,891
Spare parts and workshop inventories	**8,323**	**1,462**	**9,785**	11,466	-	11,466
	61,528	**6,036**	**67,564**	72,737	2,750	75,487

Notes To The Financial Statements

for the year ended 31 December 2009

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Gross trade receivables	**52,516**	64,107	**-**	-
Allowance for doubtful debts	**(3,586)**	(4,478)	**-**	-
	48,930	59,629	**-**	-
Finance lease receivables *(see note 9)*	**7,706**	6,780	**-**	-
Other receivables	**2,033**	2,358	**7**	1
Sundry deposits	**1,526**	2,061	**135**	66
Prepayments	**5,620**	5,539	**693**	729
Subsidiary companies	**-**	-	**31,884**	39,162
Jointly controlled entities	**557**	987	**50**	114
Related party	**3,093**	1,598	**-**	-
	69,465	78,952	**32,769**	40,072

The currency exposure profiles of trade receivables are as follows:

	Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	**51,323**	62,801
US Dollar	**581**	227
Singapore Dollar	**59**	36
Renminbi	**529**	1,043
Brunei Dollar	**24**	-
	52,516	64,107

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 receivable on demand.

Notes To The Financial Statements

for the year ended 31 December 2009

13. TRADE AND OTHER RECEIVABLES *(continued)*

The amount owing by jointly controlled entities comprises:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**531**	987	**-**	-
Non trade receivables	**26**	-	**50**	114
	557	987	**50**	114

The non trade receivables are unsecured, interest free and receivable on demand. The trade accounts have normal credit period of 30 to 60 days.

The amount owing by the related party in which a Director has significant influence are trade receivables which are unsecured, interest free and have a normal credit period of 60 - 120 days.

14. FIXED DEPOSITS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed deposits				
- with licensed banks	**36,391**	19,187	**7,932**	3,189
- with other licensed financial institutions	**7,684**	9,595	**7,684**	9,595
	44,075	28,782	**15,616**	12,784

Included in the Group's fixed deposits with licensed banks in the previous financial year totalling RM75,000 was pledged as security for bank guarantee facilities granted to a subsidiary of the Group.

The effective interest rates range from 0.4% to 3.8%. All deposits had maturity periods of less than one year.

Notes To The Financial Statements

for the year ended 31 December 2009

15. SHARE CAPITAL

	2009 RM'000	2008 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	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
At 1 January	**1,290**	957	**2,394**	1,745
Additions	**591**	333	**1,285**	649
Disposals	**-**	-	**-**	-
At 31 December	**1,881**	1,290	**3,679**	2,394

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

17. BANK TERM LOANS (unsecured)

	Group	
	2009 RM'000	2008 RM'000
Repayments due within the next 12 months *(see note 21)*	**9,262**	9,945
Repayments due after 12 months	**14,821**	20,274
	24,083	30,219

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

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

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

17. BANK TERM LOANS (unsecured) *(continued)*

The long term loans bear interest as follows:

	2009 RM'000	2008 RM'000
At 5.2% per annum	**-**	683
At 4.6% per annum in the first three years and 5.75% per annum thereafter	**-**	1,482
At 5.1% per annum	**3,439**	-
At 4.75% per annum	**15,926**	20,000
At 4.39% per annum	**4,718**	8,054
	24,083	30,219

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	**1,988**	658	**620**	77
Charged to income statement	**341**	1,637	**45**	779
Retirement benefits paid	**(286)**	(307)	**(224)**	(236)
At 31 December	**2,043**	1,988	**441**	620

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Present value of unfunded obligations	**2,043**	1,988	**441**	620

18. RETIREMENT BENEFIT OBLIGATIONS *(continued)*

The expense recognised in the income statement is analysed as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current service cost	**207**	230	**21**	45
Interest cost	**111**	117	**24**	41
Past service cost	**-**	1,260	**-**	693
Actuarial loss	**23**	28	**-**	-
Curtailment or settlement cost	**-**	2	**-**	-
Total included in employee costs	**341**	1,637	**45**	779

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

	2009	**2008**
Discount rate	**5.3%**	5.3%
Expected rate of salary increases	**6.0%**	6.0%
Price inflation	**3.5%**	3.5%

19. DEFERRED TAX LIABILITIES

	Group	
	2009	**2008**
	RM'000	**RM'000**
At 1 January	**6,973**	7,256
Origination/(Reversal) for the year (net)	**3,043**	(283)
At 31 December	**10,016**	6,973

The deferred tax liabilities arose from:

Taxable temporary differences		
- relating to revaluation of properties	**236**	239
- between net carrying amount and tax written down value of property, plant and equipment	**10,790**	8,165
Deductible temporary differences on		
- unabsorbed capital allowance	**(572)**	(826)
- other temporary differences	**(438)**	(605)
	10,016	6,973

Notes To The Financial Statements

for the year ended 31 December 2009

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Trade payables	**42,438**	51,882	**-**	-
Other payables	**8,291**	12,509	**25**	24
Deposits received	**9,578**	8,979	**175**	175
Accruals	**9,984**	8,163	**506**	617
Subsidiary companies	**-**	-	**11,851**	12,599
Related parties	**51**	119	**42**	119
	70,342	81,652	**12,599**	13,534

The currency exposure profiles of trade payables are as follows:

	Group	
	2009 RM'000	**2008 RM'000**
Ringgit Malaysia	**31,445**	43,395
US Dollar	**5,667**	2,958
Singapore Dollar	**-**	78
Euro	**188**	597
Japanese Yen	**5,138**	4,854
	42,438	51,882

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

The amount owing to subsidiary companies comprises non trade payables which are unsecured and interest free except for an amount of RM10,103,452 (2008 : RM10,734,202) which is subject to interest based on fixed deposit interest rate of reference banks. The effective interest rates during the year were 1.6% to 3.3% (2008 : 2.8% to 3.53%) per annum. The non trade payables are payable on demand.

The related parties are companies in which a Director has significant influence. The amounts owing to the related parties represent non trade payables which are unsecured, interest free and payable on demand.

Notes To The Financial Statements

for the year ended 31 December 2009

21. BANK BORROWINGS (unsecured)

	Group	
	2009	**2008**
	RM'000	**RM'000**
Current portion of long term loans *(see note 17)*	**9,262**	9,945
Bankers acceptances	**10,747**	19,989
Revolving credits	**19,500**	14,500
	39,509	44,434

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 1.94% to 2.45 % (2008 : 3.58% to 4.75%).

Revolving credits bear effective interest rate at 2.57% - 4.04% (2008 : 4.53% - 4.90%) per annum.

22. REVENUE

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sales of goods	**150,733**	181,976	**-**	-
Services rendered including car hire income	**150,072**	185,367	**872**	872
Finance lease income	**949**	830	**-**	-
	301,754	368,173	**872**	872

Notes To The Financial Statements

for the year ended 31 December 2009

23. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit from operations is stated after charging:				
Allowance for doubtful debts	**616**	1,685	**-**	-
Amortisation of prepaid lease payments	**205**	205	**-**	-
Auditors' remuneration				
- statutory audit				
- current year	**150**	133	**21**	21
- underprovision in prior year	**4**	5	**-**	-
- other auditors' remuneration	**4**	-	**-**	-
Bad debts written off	**57**	661	**-**	-
Depreciation	**28,886**	26,765	**132**	404
Direct operating expenses on				
- revenue generating investment properties	**-**	-	**-**	103
Directors' remuneration				
- fees	**119**	149	**119**	149
- other emoluments	**2,209**	2,650	**1,024**	1,685
Goodwill written off	**606**	-	**-**	-
Impairment in value of investment in subsidiary companies	**-**	-	**-**	7,978
Impairment loss on property, plant and equipment	**-**	80	**-**	-
Inventories written off/down	**1,403**	1,626	**-**	-
Loss on disposal of property, plant and equipment	**157**	-	**-**	2
Property, plant and equipment written off	**198**	62	**-**	-
Rental expense				
- land and buildings	**2,255**	1,824	**13**	4
- car	**-**	-	**48**	36
- equipment	**193**	188	**-**	-
Retirement benefit obligations	**341**	1,637	**45**	779
Unrealised loss on foreign exchange, net	**-**	17	**-**	-
and crediting:				
Allowance for doubtful debts written back	**686**	-	**-**	-
Gain on disposal of property, plant and equipment	**276**	2,004	**26**	-
Gain on foreign exchange, net				
- realised	**1,094**	289	**-**	-
- unrealised	**308**	-	**-**	-
Impairment in value of investment in subsidiary companies written back	**-**	-	**1,563**	-
Impairment loss on property, plant and equipment written back	**80**	-	**-**	-
Rental income from				
- investment properties	**-**	-	**13**	558
- land and buildings	**21**	565	**-**	-
- equipment	**8,006**	9,198	**-**	-
- car	**-**	-	**7**	-

Notes To The Financial Statements

for the year ended 31 December 2009

23. PROFIT/(LOSS) FROM OPERATIONS *(continued)*

Directors' remuneration of the Group and the Company does not include the estimated monetary value of benefits-in-kind amounted to RM210,000 and RM20,032 (2008 : RM179,000 and RM42,787) respectively.

24. NET PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Gross dividends from subsidiary companies	**-**	-	**4,666**	4,703
Gross dividends from jointly controlled entities	**-**	-	**1,284**	3,172
Interest income from				
- subsidiary companies	**-**	-	**10**	82
- related parties	**-**	7	**-**	-
- fixed deposits	**761**	1,514	**323**	775
Gain on fair value adjustment on investment properties	**-**	-	**1,200**	5,600
Reversal/(Allowance) for diminution in value of investments	**-**	-	**1,563**	(7,978)
	761	1,521	**9,046**	6,354

25. FINANCE COSTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest paid and payable on:				
Term loans	**1,052**	862	**-**	-
Bankers' acceptances	**264**	765	**-**	-
Revolving credits	**613**	261	**-**	-
Others	**217**	9	**221**	662
	2,146	1,897	**221**	662

Notes To The Financial Statements

for the year ended 31 December 2009

26. TAX EXPENSE

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Malaysian taxation based on results for the year				
- current	**2,823**	5,255	**372**	952
- deferred	**1,487**	2,244	**26**	(48)
	4,310	7,499	**398**	904
Under/(Over) provision in prior years				
- current	**(428)**	100	**-**	(10)
- deferred	**1,342**	(2,359)	**(27)**	23
	5,224	5,240	**371**	917

The statutory tax rate applicable to the Company was reduced from 26% in 2008 to 25% in 2009.

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

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Accounting profit	**12,044**	21,899	**5,631**	1,607
Tax at applicable tax rates	**3,011**	5,694	**1,408**	418
Tax effect of expenses not deductible in determining taxable profit	**3,247**	4,483	**181**	2,458
Tax effect on reduction in future tax rate	**-**	52	**-**	4
Tax effect of income not taxable in determining taxable profit	**(2,017)**	(2,605)	**(1,191)**	(1,976)
Crystalisation of deferred tax liabilities on amortisation of revalued properties	**(4)**	(4)	**-**	-
Originating of deferred tax assets not recognised	**116**	418	**-**	-
Tax effect on opening deferred tax resulting from reduction in statutory tax rate	**-**	(319)	**-**	-
Tax effect of different tax rates of subsidiaries	**(43)**	(220)	**-**	-
Under/(Over) provision in prior years	**914**	(2,259)	**(27)**	13
Tax expense for the year	**5,224**	5,240	**371**	917

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. EARNINGS 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 RM6,820,000 (2008 : RM16,811,000) by the weighted average number of shares in issue of 65,737,900 (2008 : 66,119,475). The weighted average number of shares in issue is calculated as follows:

	2009	2008
Number of ordinary shares at 1 January	**67,200,000**	67,200,000
Effect of treasury shares held	**(1,462,100)**	(1,080,525)
Weighted average number of ordinary shares at 31 December	**65,737,900**	66,119,475

28. DIVIDENDS

	2009 RM'000	2008 RM'000
In respect of the financial year ended 31 December 2007		
Final dividend of 5% less 26% income tax	**-**	2,448
In respect of the financial year ended 31 December 2008		
Interim dividend of 5% less 26% income tax	**-**	2,447
Final dividend of 5% less 25% income tax	**2,470**	-
In respect of the financial year ended 31 December 2009		
Interim dividend of 5% less 25% income tax	**2,466**	-
	4,936	4,895

Subsequent to 31 December 2009, the Directors proposed a final dividend of 6% less 25% income tax in respect of the financial year ended 31 December 2009.

Notes To The Financial Statements

for the year ended 31 December 2009

29. INCORPORATION OF SUBSIDIARIES

(i) On 12 January 2009, the Company incorporated a new wholly-owned subsidiary, Mayflower Holidays Sdn Bhd ("Mayflower Holidays") in Malaysia to cater for the Group's future business needs. The principal object of Mayflower Holidays is to carry on the travel and tour business. The issued and paid up share capital of Mayflower Holidays is RM2.

(ii) On 19 January 2009, the Company announced to Bursa Malaysia Securities Berhad that The Management Board of Vietnam Singapore Industrial Park, Vietnam issued an Investment Certificate to Mayflower (Labuan) Pte Ltd ("Mayflower Labuan"), a wholly-owned subsidiary of the Company, to establish an enterprise namely Mayflower Vietnam Pte Ltd ("Mayflower Vietnam") and execute an investment project in Vietnam. Mayflower Vietnam was established pursuant to the Investment Certificate with the intended business activities of manufacturing, assembly and sale of generator sets; and maintenance and repair of generators manufactured by Mayflower Vietnam. Mayflower Vietnam shall have a Charter Capital of USD2 million.

(iii) On 19 February 2009, the Company incorporated a new wholly-owned subsidiary, Warisan Automotif Holdings Sdn Bhd ("Warisan Automotif") in Malaysia to cater for the Group's future business needs. The principal activity of Warisan Automotif is to carry on the business as an automotive investment holding company. The issued and paid up share capital of Warisan Automotif is RM2.

(iv) On 9 September 2009, the Company incorporated a new wholly-owned subsidiary, ATM (Labuan) Pte Ltd ("ATM Labuan") in the Federal Territory of Labuan as an investment holding company to cater for the Group's future overseas business. The issued and paid up share capital of ATM Labuan is USD1.

The effect of incorporation of the new subsidiaries on the consolidated net profit, the consolidated financial position and consolidated cash flow statement are as follows:

(a) Effect on consolidated net profit for the year ended 31 December 2009:

	RM'000
Revenue	-
Cost of sales	-
Loss before tax	(24)
Tax expense	-
Decrease in Group's net profit	(24)

(b) Effect on consolidated financial position at 31 December 2009:

	RM'000
Current assets	816
Current liabilities	(7)
Increase in Group's share of net assets	809

29. INCORPORATION OF SUBSIDIARIES *(continued)*

(c) Effect on consolidated cash flow statement for the year ended 31 December 2009:

	RM'000
Fair value of net assets acquired:	
Current assets	815
Current liabilities	-
Total purchase consideration	815
Less:	
Cash and cash equivalents	815
Net cash flows on acquisition	-

30. EMPLOYEE INFORMATION

	Group		**Company**	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Employee costs	**47,979**	51,528	**2,448**	3,133

Included in the employee costs are:

	Group		**Company**	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
EPF contributions	**4,512**	4,519	**216**	250
Defined benefit plan provisions	**341**	1,637	**45**	779

Notes To The Financial Statements

for the year ended 31 December 2009

31. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(a) ***Transactions with subsidiary companies***				
Interest received and receivable	**-**	-	**10**	82
Management fee received and receivable	**-**	-	**872**	872
Rental received and receivable	**-**	-	**13**	-
Interest paid and payable	**-**	-	**221**	493
(b) ***Transactions with jointly controlled entities***				
Rental received and receivable	**-**	-	**-**	558
Interest paid and payable	**-**	-	**-**	164

(c) ***Transactions with companies in which certain Directors of the Group have significant influence***

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sales	**4,381**	8,710	**-**	-
Travel agency, car rental and workshop services	**2,594**	2,513	**-**	-
Rental income	**172**	192	**-**	-
Interest income	**-**	1	**-**	-
Purchase of spare parts	**254**	477	**-**	-
Workshop services	**1,021**	1,177	**9**	24
Rental expense	**19**	11	**13**	4
Purchase of property, plant and equipment	**9,939**	41,244	**133**	-
Insurance agency services	**1,686**	1,941	**44**	43
Administrative services	**149**	151	**66**	115
Interest expense	**-**	5	**-**	5

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

32. COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL

Compensation paid to key management personnel during the year comprises:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short term employee benefits (salaries, allowances, bonuses and benefits-in-kind)	**3,475**	3,717	**1,280**	1,860
Post-employment benefits				
- EPF	**272**	314	**89**	167
- Defined benefit plan provisions	**225**	27	**220**	22
	3,972	4,058	**1,589**	2,049
Directors	**2,538**	2,978	**1,163**	1,877
Other key management personnel	**1,434**	1,080	**426**	172
	3,972	4,058	**1,589**	2,049

33. COMMITMENTS

	Group	
	2009 RM'000	2008 RM'000
Capital commitments		
Contracted capital expenditure not provided for in the financial statements	**16,693**	25,582

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:

	2009 RM'000	2008 RM'000
Not later than one year	**12,261**	15,937
Later than one year but not later than 5 years	**8,877**	7,671
	21,138	23,608

Notes To The Financial Statements

for the year ended 31 December 2009

33. COMMITMENTS *(continued)*

(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:

	2009 RM'000	2008 RM'000
Not later than one year	**925**	1,655
Later than one year but not later than 5 years	**700**	1,370
	1,625	3,025

34. CONTINGENT LIABILITIES

In 2002, a former director of the Company 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 struck out their Writ and Statement of Claim on 11 July 2003. They have appealed to the Court of Appeal and the said appeal was dismissed on 18 May 2009.

The former Directors have filed an application for leave to appeal to Federal Court and the said leave application has yet to be fixed for hearing.

Based on legal opinion, the Directors are of the view that the plaintiffs' claim is without merit and no provision for damages needs to be made in the financial statements.

35. 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.

35. FINANCIAL INSTRUMENTS *(continued)*

(b) Derivative financial instruments

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

2009	**Amounts to be paid**	**equivalent RM**	**Average contractual rate**	**Settlement period**	
				Within 1 year RM	**2 to 5 years RM**
Trade payables					
USD	2,579,944	8,872,313	3.4390	8,872,313	-
JPY	235,884,554	9,020,536	0.0382	9,020,536	-
2008					
Trade payables					
EURO	204,520	932,947	4.5616	932,947	-
USD	1,087,709	3,852,679	3.5420	3,852,679	-

(c) Fair value

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

2009	**Group**	
	Carrying amount RM'000	**Fair value RM'000**
Non-current assets		
Finance lease receivables	6,923	6,767
Other investments		
Unquoted shares	10	*
Non-current liabilities		
Bank term loans	14,821	13,791

Notes To The Financial Statements

for the year ended 31 December 2009

35. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair value *(continued)*

2008	**Group**	
	Carrying amount RM'000	**Fair value RM'000**
Non-current assets		
Finance lease receivables	5,389	5,346
Other investments		
Unquoted shares	10	*
Non-current liabilities		
Bank term loans	20,274	19,142

* *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.*

36. SEGMENTAL ANALYSIS

2009	**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	54,971	131,286	114,807	690	-	301,754
Inter-segment revenue	-	544	-	-	(544)	-
Total revenue	54,971	131,830	114,807	690	(544)	301,754
Segment result	1,771	7,539	7,787	(227)	-	16,870
Unallocated expenses	-	-	-	-	-	(3,441)
Operating profit						13,429
Interest expense						(2,146)
Interest income						761
Profit before tax						12,044
Tax expense						(5,224)
Net profit for the year						**6,820**

Notes To The Financial Statements

for the year ended 31 December 2009

36. SEGMENTAL ANALYSIS *(continued)*

2009	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	42,185	145,615	119,274	958	-	308,032
Unallocated assets						58,961
Total assets						**366,993**
Segment liabilities	(14,554)	(29,739)	(26,820)	(110)	-	(71,223)
Unallocated liabilities						(66,583)
Total liabilities						**(137,806)**
Capital expenditure	2,059	15,712	5,174	166	-	23,111
Unallocated capital expenditure						173
Total capital expenditure						**23,284**
Depreciation and amortisation	(2,100)	(21,514)	(5,110)	(20)	-	(28,744)
Unallocated depreciation and amortisation						(347)
Total depreciation and amortisation						**(29,091)**
Non-cash expense other than depreciation and amortisation	(843)	(837)	288	(11)	-	(1,403)
Unallocated non-cash expenses						(625)
Total non-cash expenses						**(2,028)**

Notes To The Financial Statements

for the year ended 31 December 2009

36. SEGMENTAL ANALYSIS *(continued)*

2008	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	49,780	165,121	151,887	1,385	-	368,173
Inter-segment revenue	-	1,255	-	-	(1,255)	-
Total revenue	49,780	166,376	151,887	1,385	(1,255)	368,173
Segment result	1,198	13,754	11,069	560	-	26,581
Unallocated expenses						(4,306)
Operating profit						22,275
Interest expense						(1,897)
Interest income						1,521
Profit before tax						21,899
Tax expense						(5,240)
Net profit for the year						16,659
Segment assets	41,346	167,752	131,172	544	-	340,814
Unallocated assets						45,259
Total assets						386,073
Segment liabilities	(12,130)	(59,841)	(24,200)	(102)	-	(96,273)
Unallocated liabilities						(61,161)
Total liabilities						(157,434)
Capital expenditure	2,296	74,870	7,126	1	-	84,293
Unallocated capital expenditure						21
Total capital expenditure						84,314

36. SEGMENTAL ANALYSIS *(continued)*

2008	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	(1,780)	(18,248)	(6,295)	(28)	-	(26,351)
Unallocated depreciation and amortisation						(619)
Total depreciation and amortisation						(26,970)
Non-cash expense other than depreciation and amortisation	(1,605)	300	(1,634)	(42)	-	(2,981)
Unallocated non-cash expenses						(781)
Total non-cash expenses						(3,762)

37. SUBSEQUENT EVENTS

(i) On 1 October 2009, the Company entered into a Conditional Sale and Purchase Agreement with Tan Chong Motor Holdings Berhad ("TCMH") to acquire TCMH'S 70% equity interest in Kereta Komersil Seladang (M) Sdn Bhd ("KKS") comprising 10,500 ordinary shares of RM1 each for a cash consideration of RM700,000 ("the Proposed Acquisition"). The conditions precedent to the Proposed Acquisition were fulfilled on 22 December 2009 and KKS became a 70% owned subsidiary of the Company on 5 January 2010.

(ii) On 25 January 2010, the subsidiary, Tung Pao Sdn Bhd ("TP") increased its authorised share capital from RM15,000,000 to RM25,000,000 by the creation of additional 10,000,000 new ordinary shares of RM1 each.

Following the increase in the authorised share capital, the issued and paid-up capital of TP was increased from RM14,300,000 to RM17,950,000 by way of allotment of 3,650,000 new ordinary shares of RM1 each to the holding company, Warisan TC Holdings Berhad at par for cash for working capital purposes.

(iii) On 25 January 2010, the subsidiary, TCIM Sdn Bhd ("TCIM") increased its authorised share capital from RM25,000,000 to RM50,000,000 by the creation of additional 25,000,000 new ordinary shares of RM1 each.

Following the increase in the authorised share capital, the issued and paid-up capital of TCIM was increased from RM25,000,000 to RM43,366,000 by way of allotment of 18,366,000 new ordinary shares of RM1 each to the holding company, Warisan TC Holdings Berhad at par for cash for working capital purposes.

(iv) On 25 January 2010, the subsidiary, Tan Chong Apperals Manufacturer Sdn Bhd ("TCAM") increased its authorised share capital from RM5,000,000 to RM10,000,000 by the creation of additional 5,000,000 new ordinary shares of RM1 each.

Following the increase in the authorised share capital, the issued and paid-up capital of TCAM was increased from RM2,500,000 to RM5,712,000 by way of allotment of 3,212,000 new ordinary shares of RM1 each to the holding company, Warisan TC Holdings Berhad at par for cash for working capital purposes.

Notes To The Financial Statements

for the year ended 31 December 2009

38. CHANGE IN THE ACCOUNTING POLICY

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 2009 and revenue and profit for the year ended 31 December 2009, which are included in the consolidated financial statements are as follows:

BALANCE SHEET	**Adoption of equity method of accounting RM'000**	**Adjustments RM'000**	**Adoption of proportionate consolidation RM'000**
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	132,150	4,934	137,084
Prepaid lease payments	10,003	-	10,003
Other investments	10	25	35
Investment in jointly controlled entities	32,482	(32,482)	-
Finance lease receivables	6,923	-	6,923
Deferred tax assets	213	552	765
Intangible asset	-	5,944	5,944
	181,781		160,754
CURRENT ASSETS			
Inventories	55,193	12,371	67,564
Trade and other receivables	50,777	18,688	69,465
Current tax assets	2,240	112	2,352
Fixed deposits	33,624	10,451	44,075
Cash and bank balances	16,158	6,625	22,783
	157,992		206,239
TOTAL ASSETS	339,773		366,993
EQUITY AND LIABILITIES			
EQUITY			
Share capital	67,200	-	67,200
Share premium	615	-	615
Treasury shares	(3,679)	-	(3,679)
Merger reserve	(41,614)	-	(41,614)
Translation reserve	(187)	-	(187)
Unappropriated profit	200,145	6,707	206,852
Total equity attributable to shareholders of the Company	222,480		229,187
Minority interests	-		-
TOTAL EQUITY	222,480		229,187

38. CHANGE IN THE ACCOUNTING POLICY *(continued)*

BALANCE SHEET	**Adoption of equity method of accounting RM'000**	**Adjustments RM'000**	**Adoption of proportionate consolidation RM'000**
NON-CURRENT LIABILITIES			
Bank term loans (unsecured)	14,821	-	14,821
Retirement benefit obligations	1,771	272	2,043
Deferred tax liabilities	9,993	23	10,016
	26,585		26,880
CURRENT LIABILITIES			
Trade and other payables	50,227	20,115	70,342
Bank borrowings (unsecured)	39,509	-	39,509
Current tax liabilities	972	103	1,075
	90,708		110,926
TOTAL LIABILITIES	117,293		137,806
TOTAL EQUITY AND LIABILITIES	339,773		366,993

INCOME STATEMENT			
Revenue	238,693	63,061	301,754
Cost of sales	(184,028)	(22,755)	(206,783)
Gross profit	54,665	40,306	94,971
Other operating income	2,551	748	3,299
Selling and distribution costs	(28,019)	(19,838)	(47,857)
Administrative and general expenses	(21,585)	(15,399)	(36,984)
Profit from operations	7,612	5,817	13,429
Net profit from investing activities	588	173	761
Share of profit after tax of jointly controlled entities	4,500	(4,500)	-
Finance costs	(2,146)	-	(2,146)
Profit before tax	10,554	1,490	12,044
Tax expense	(3,734)	(1,490)	(5,224)
Net profit for the year	6,820	-	6,820
Attributable to:			
Shareholders of the Company	6,820	-	6,820
Basic earnings per share (sen)	10.37	-	10.37

Notes To The Financial Statements

for the year ended 31 December 2009

39. COMPARATIVE FIGURES

The following comparative figures have been restated following the change in accounting policy referred to in Note 1(j).

	Group	
	As restated RM'000	As previously stated RM'000
Balance Sheets		
Non-current assets		
Property, plant and equipment	155,166	150,156
Investment in jointly controlled entities	-	28,439
Other investments	35	10
Deferred tax assets	551	264
Intangible assets	6,550	606
Current assets		
Inventories	75,487	63,600
Trade and other receivables	78,952	62,906
Current tax assets	2,527	2,456
Fixed deposits	28,782	22,032
Cash and bank balances	22,426	15,789
Equity		
Unappropriated profit	204,968	198,261
Non-current liabilities		
Retirement benefit obligations	1,988	1,760
Deferred tax liabilities	6,973	6,927
Current liabilities		
Trade and other payables	81,652	64,538
Current tax liabilities	2,113	1,990
Income Statements		
Revenue	368,173	308,017
Cost of sales	259,354	240,065
Other operating income	5,289	5,078
Selling and distribution costs	52,140	33,797
Administrative and general expenses	39,693	23,133
Net profit from investing activities	1,521	996
Share of profit after tax of jointly controlled entities	-	4,752
Tax expense	5,240	3,292

40. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 12 April 2010 by the Board of Directors.

Statement By Directors

Pursuant to Section 169(15) of the Companies Act 1965

We, Ting Lieng Yu and Ngu Ew Look, 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 43 to 106 are, except for pages 46 to 48 which are expressed in USD equivalent, drawn up in accordance with Financial Reporting Standards 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 2009 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 12 April 2010

TING LIENG YU
Director

NGU EW LOOK
Director

Kuala Lumpur
12 April 2010

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act 1965

I, Ng Kar Mei, being the officer primarily responsible for the financial management of Warisan TC Holdings Berhad do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 43 to 106 are, except for pages 46 to 48 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 12 April 2010)
)
)
)
) **NG KAR MEI**
)

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

Kuala Lumpur
12 April 2010

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of Warisan TC Holdings Berhad ("Company") will be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Thursday, 20 May 2010 at 11:00 a.m. to transact the following businesses:

As Ordinary Business

1. To receive the Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**

2. To declare a final dividend of 6% less income tax for the financial year ended 31 December 2009. **Ordinary Resolution 2**

3. To re-elect the following Directors who are eligible and have offered themselves for re-election, in accordance with Article 96 of the Company's Articles of Association:

    i. Datuk Abdullah bin Abdul Wahab **Ordinary Resolution 3**

    ii. Mr Seow Thiam Fatt **Ordinary Resolution 4**

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

As Special Business

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

5. **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 (excluding treasury shares) 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 6**

6. **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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised, to purchase such amount of ordinary shares 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.

Notice Of Annual General Meeting

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 7**

7. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG MOTOR HOLDINGS BERHAD AND ITS SUBSIDIARIES**

"**THAT**, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.1 of the Circular to Shareholders dated 28 April 2010 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").

Notice Of Annual General Meeting

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 8**

8. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD AND ITS SUBSIDIARIES**

"**THAT**, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.2 of the Circular to Shareholders dated 28 April 2010 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 9**

9. To transact any other business of the Company of which due notice shall have been received.

Notice Of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Thirteenth Annual General Meeting of Warisan TC Holdings Berhad to be held on 20 May 2010, a final dividend of 6% less income tax for the financial year ended 31 December 2009 will be paid on 17 June 2010. The entitlement date shall be 27 May 2010.

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 27 May 2010 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)
ANG LAY BEE (MAICSA 0825641)
Company Secretaries

Kuala Lumpur
28 April 2010

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 instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of 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 beneficial owner for whom the authorised nominee is acting.

4. The instrument 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.

Notice Of Annual General 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 normal 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.

   To avoid delay and cost involved in convening a general meeting to approve such issue of shares, the Directors had obtained the general mandate at the Company's 12th Annual General Meeting held on 21 May 2009 to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for the time being, for such purpose. The Company has not issued any new shares under the general mandate granted to the Directors at the 12th Annual General Meeting which will lapse at the conclusion of the 13th Annual General Meeting to be held on 20 May 2010.

   A renewal of the mandate is being sought at the 13th Annual General Meeting under proposed Ordinary Resolution 6. The renewed mandate, 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 7, 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 28 April 2010 despatched together with the Company's 2009 Annual Report.

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

   The proposed Ordinary Resolutions 8 and 9, 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 8 and 9 are set out in the Circular to Shareholders dated 28 April 2010, despatched together with the Company's 2009 Annual Report.

WARISAN TC HOLDINGS BERHAD (424834-W)

(Incorporated in Malaysia)

Form Of Proxy

CDS account no. of authorised nominee

I/We ____ *(name of shareholder, in capital letters)*

NRIC No./Company No. ________________________________ (new) __________________________________ (old)

of ____

____ (full address) being a member(s) of WARISAN TC HOLDINGS BERHAD,

hereby appoint ____ *(name of proxy , 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 Thirteenth Annual General Meeting of the Company to be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Thursday, 20 May 2010 at 11:00 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 Datuk Abdullah Bin Abdul Wahab as Director		
Ordinary Resolution 4	Re-election of Mr Seow Thiam Fatt as Director		
Ordinary Resolution 5	Re-appointment of Messrs Mazars as Auditors		
Ordinary Resolution 6	Proposed Grant of Authority pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 7	Proposed Renewal of Authority for the Company to Purchase its Own Shares		
Ordinary Resolution 8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad Group		
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad Group		

(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. 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 instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of 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 beneficial owner for whom the authorised nominee is acting.

4. The instrument 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.

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Affix
Stamp
here

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

Fold here

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(424834-W)

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