WARISAN TC HOLDINGS BERHAD

(424834-W)

annual report 2010

Contents

Corporate Information

DIRECTORS

Dato' Tan Heng Chew
JP, DJMK
Executive 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

Datuk Abdullah bin Abdul Wahab
KMN, DPSJ, PJN

Dato' Chong Kwong Chin
JP, DIMP

AUDIT COMMITTEE

Seow Thiam Fatt
(Independent Non-Executive Director)
Chairman

Dato' Chong Kwong Chin
JP, DIMP
(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
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone : 03-2264 3883
Facsimile : 03-2282 1886
E-mail : is.enquiry@my.tricorglobal.com

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

TRAVEL & CAR RENTAL

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

MACHINERY

- Material handling equipment, factory scrubber and sweeper
- Construction equipment (road, earthwork, quarry and mining)
- Agricultural tractor, golf & turf equipment
- Engine & generator set

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

100% Mayflower Corporate Travel Services Sdn Bhd *(formerly known as 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

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

Executive Chairman's Statement

On behalf of the Board of Directors of
Warisan TC Holdings Berhad
("the Company" or "WTCH"),
I am pleased to present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2010.

Highlights

2009 was a challenging year because the Malaysian economy was inevitably affected by the global financial crisis coupled with Influenza A (H1N1) pandemic. In 2010, the Government has taken effective measures to recover from the crisis and Malaysia achieved a GDP growth of 7.2% for the year. The Group recorded an increase in revenue of 18% at RM363.8 million compared with RM307.7 million of the previous financial year while PBT at RM20 million, representing an increase of 67% compared with RM12 million of the previous financial year. The Group's balance sheet remained resilient with shareholders' fund recorded at RM233.8 million (2009 : RM227.2 million) and accordingly, net assets per share rose from RM3.48 to RM3.59. Earnings per share was 20.29 sen (2009 : 10.26 sen).

I am delighted that the Group has started to gain a footing in the automotive business. During the year, Kereta Komersil Seladang (M) Sdn Bhd ("KKS"), a 70% owned subsidiary of the Company entered into KD Cooperation Agreements and Technology Licensing Agreements with Beiqi Foton Motor Co Ltd ("BFM") and Changsha Foton Vehicle Technology Co. Ltd for the appointment as sole and exclusive manufacturer and/or assembler and distributor of light duty trucks, after sales service provider as well as parts and accessories distributor in Malaysia. Angka-Tan Motor Sdn Bhd ("ATM"), a wholly-owned subsidiary of the Company, also entered into a Distribution Agreement and Technical Assistance Agreement with BFM for the appointment as sole and exclusive assembler and distributor of heavy duty trucks, after sales service provider as well as parts and accessories distributor in Malaysia. Besides heavy duty trucks, ATM also entered into a Distribution Agreement with BFM for the appointment as sole and exclusive assembler and distributor of bus chassis/complete bus of such contractual model(s) to be mutually agreed between the parties, after sales service provider as well as parts and accessories distributor in Malaysia. The light commercial vehicle truck under "Bison" brandname was officially launched on 29 March 2011.

Executive Chairman's Statement

2010 has been a very eventful year for the Group. Apart from the above automotive activities undertaken by the Group, Belize Holdings Sdn Bhd ("Belize"), a wholly-owned subsidiary of the Company, had on 16 November 2010 entered into a Share Sale and Purchase Agreement with American Express Travel Holdings (M) Company Sdn Bhd for the acquisition of the remaining 30% issued and paid up capital in Mayflower American Express Travel Services Sdn Bhd ("MAE"). With this acquisition, MAE becomes a wholly-owned subsidiary of the Company and simultaneously appointed as a travel network partner of American Express Limited ("AEL"). AEL is the global leader in business travel management service and the appointment would enable MAE to enhance its position in the corporate business travel management segment. Resulting from the corporate restructuring, MAE was renamed Mayflower Corporate Travel Services Sdn Bhd effective 3 December 2010.

Dividends

In respect of the financial year ended 31 December 2010, an interim dividend of 6% (2009 – 5%) less tax per share amounting to RM2.9 million (2009 : RM2.5 million) was paid on 29 September 2010.

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 2010. Together with the interim dividend already declared and paid, this represents a total dividend of 12% (2009 : 11%) gross per share.

Review of Business Operations

For the financial year ended 31 December 2010, the Group continued to operate with its three (3) core businesses, namely Travel & Car Rental, Industrial Machinery and Equipment, and Consumer Products.

travel & car rental

The overall travel sentiment has improved in 2010, as a result, it was a better year for the travel division. To further strengthen the Mayflower distribution network, during the year, five (5) new retail outlets (out of which, three (3) are operated by Mayflower franchisees) were set up and a new travel kiosk retail concept was introduced at two (2) shopping malls. Mayflower Acme Tours Sdn Bhd ("MAT"), a wholly-owned subsidiary of the Company, has established business relationship with approximately 310 travel agents in Malaysia and 600 travel agents internationally as well as with all the major airlines and hotels. Both Inbound and Air Ticketing business units registered improved performance in 2010 compared to 2009. For Outbound Corporate Incentive business unit which also recorded better performance, the focus of which was consistent with the previous years, which was to aggressively acquire new corporate accounts and retain existing accounts. More investment was made to increase the Mayflower Car Rental and Leasing Fleet to approximately 1,600 units in total to cater for the increasing demand in corporate car leasing. The car rental business unit also recorded improved performance in 2010 compared to 2009. Last but not least, much effort was put in to develop e-commerce infrastructure to improve efficiency of the front to back end business operations.

MAT was awarded "The BrandLaureate - SMEs Chapter Awards 2010" in the Brand Specialty Awards category for "Best Brands Strategy" and "The BrandLaureate Awards 2010-2011 for Corporate Branding – Best Brands in Services – Travel and Tours" from Asia Pacific Brand Foundation ("APBF") after having won for the past three (3) consecutive years in the SMEs Chapter Awards for Corporate Branding – Best Brands in Services – Tours and Travel category from APBF. MAT was also awarded the Industry Excellence Awards 2010 in the Brand Excellence Award (Services – non professional) category by the Ministry of International Trade & Industry ("MITI"). MAT has won the MITI Export Excellence Award 2007 in Services and MITI Brand Excellence Award 2008 – Certificate of Excellence Brand (Services). Besides the above, MAT was further awarded Abacus Top Ten Achievers Year 2010 (International Booking).

industrial machinery & equipment

With the Government’s strong effort to push for strong recovery of the Malaysian economy in 2010, the industrial machinery and equipment industry has gained better momentum for the year. As a result, the division’s revenue surpassed the preceding year’s level with contribution came from our core products, namely Sumitomo range of excavators, SDLG wheel loader which was introduced last year and Nissan forklift. Our after-sales service business unit also contributed reasonably well to the division’s overall performance. During the year, more products were introduced, namely John Deere golf and turf equipment from the United States of America, Dulevo sweeper and scrubber from Italy and Branson tractor from Korea. Backed by renowned principals internationally, these new products have broaden the existing product range and are expected to contribute positively to the performance in the long run.

The industrial machinery and equipment division will continue to expand its branch network nationwide in order to provide better sales and after sales service to customers. Following the setting up of three (3) branches in 2009, one (1) new sales branch in Tawau was set up during the year.

consumer products

The local retail grew moderately in 2010 and this was reflected in improved consumer spending which has obviously benefited the consumer products business. Both the Shiseido and Wacoal businesses registered a reasonable growth in revenue and profitability.

Shiseido

The Shiseido products continued to have a strong prestige image in the premier skin care segment. With 100 years of whitening experience and research, Shiseido's most powerful whitening product ever, White Lucent Spot Targeting Serum and Bio Performance Super Corrective Serum were also launched in the 1^{st} half and 2^{nd} half of 2010 respectively. During the year, Cle De Peau Beaute, the premium brand, launched two (2) specialised treatment products with brightening and skin firming benefits, namely Anti-aging Spot Brightening Serum and Intensive Facial Contour Serum.

On self-selection skin care segment, Aqualabel, the No.1 skincare brand in Japan was introduced to the local market. This product aims to achieve good balance of hydration and moisture while keeping the serum in control to women who have high expectation in skincare at affordable price.

As for the hair care segment, Tsubaki and Prosynergy were launched for damaged and aging hair as well as for healthy hair growth.


wacoal
FITTING ROOM
FITTING ROOM
VOIR

Wacoal

With the tremendous effort being put in to improve the quality of the merchandise by introducing latest-in-fashion and functional ladies inner garments, the Wacoal brand commands a reasonable market share in the lingerie market. A "home-wear" line of camisoles, affectionately called "JIA" Cami was introduced during the 2010 Christmas festive season. JIA Cami is suitable for the tropical climate in Malaysia.

Wacoal Malaysia Sdn Bhd ("WM"), a joint venture company, always emphasizes the importance of cordial relationship with the departmental stores/business partners. For the first time, WM hosted an event to present awards of appreciation to its key business partners with the objective of strengthening the relationship.

Multi-Level-Marketing

Evidenced by the revenue growth in 2010, our key product, "Resviva", introduced in 2009 was reasonably well accepted by the market. The focus of the multi-level-marketing business would be consistent of last year, which is to continue to recruit potential distributors, introduce quality products and create awareness for the Unify brand.

Hair Grooming Business

Our brandname "GroomEXP" which stands for Grooming Expert, was better recognized with the opening of the second salon in Lot 10 shopping centre in August 2010. Grooming Expert Sdn Bhd, a subsidiary of the company, has been collaborating with its sister company, Shiseido Malaysia Sdn Bhd, a joint venture company, to aggressively promote and sell Shiseido Professional hair care products. With the adoption of "omotenashi" (which means hospitality) concept, the salons aim to provide excellent services to its customers in a conducive and comfortable salon ambience for the customers to enjoy the process of hairdo.

Prospects

With the Economic Transformation Plan ("ETP") rolled out in the last quarter of 2010, the construction industry is expected to reap from the implementation of the various Entry Point Projects identified under the Plan. It is foreseen that the demand for heavy equipment will grow. With this positive outlook, the industrial machinery and equipment division will strive to deliver a better performance in 2011, barring any unforeseen circumstances.

In tandem with the Ministry of Tourism's effort to promote tourism industry under the ETP coupled with the Group's concerted effort to strengthen the Mayflower brand equity with more and better products as well as stronger distribution network, delivery infrastructure and customer services, the travel and car rental division is expected to deliver a better performance in 2011, barring any unforeseen circumstances.

With stronger domestic demand, the consumer retailing sentiment is expected to be fairly robust in 2011. This augurs well for the consumer products division. The division will continue to expand the retail network at strategic locations, to refurbish existing counters as well as to introduce new and innovative products to deliver a better performance in 2011, barring any unforeseen circumstances.

The Group will reap from the new investments and improved business models of the existing businesses while being vigilant to the volatility of foreign currencies and global economic and political uncertainties.

Acknowledgment

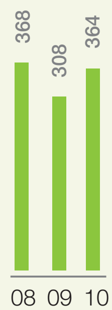
On behalf of the Board of Directors, I would like to take this opportunity to thank all our loyal shareholders, valued customers, business associates, financiers, management and staff for their continuous support to the Group throughout the year. I would also like to thank my fellow Board members for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

On behalf of the Board of Directors, I also wish to record a vote of appreciation and gratitude to Dato' Haji Nadzam bin Haji Mohd Din who is not seeking re-election at the Annual General Meeting for his invaluable contribution and support to the Group during his term of office.

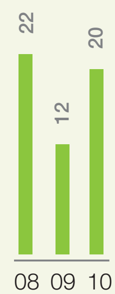
Dato' Tan Heng Chew *JP, DJMK*
Executive Chairman
Kuala Lumpur
13 April 2011

Financial Charts

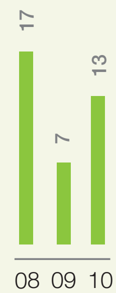
Revenue (RM Million)



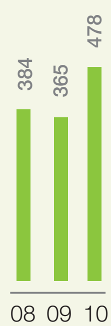
Profit before tax (RM Million)



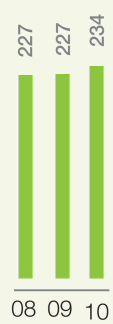
Profit after tax (RM Million)



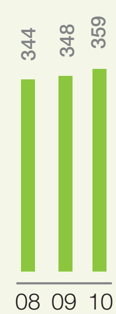
Total Assets (RM Million)



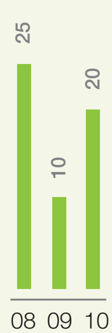
Shareholders' Fund (RM Million)



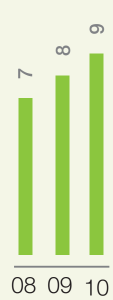
Net Assets Per Share (sen)



Earnings Per Share (sen)



Net Dividend Per share (sen)



5 Years Financial Highlights

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
RESULTS					
Revenue	363,831	307,732	368,173	258,103	216,195
Profit before taxation	20,039	11,967	21,899	19,681	22,430
Taxation	(6,959)	(5,224)	(5,240)	(3,067)	(2,369)
Profit after tax	13,080	6,743	16,659	16,614	20,061
Attributable to:					
Shareholders of the Company	13,236	6,743	16,811	16,939	20,189
Minority interests	(156)	-	(152)	(325)	(128)
FINANCIAL POSITION					
Assets					
Property, plant and equipment	182,942	147,087	165,374	106,834	97,957
Prepaid lease payments	-	-	-	10,413	10,618
Investment in jointly controlled entities	-	-	-	25,982	23,122
Other investments	35	35	35	10	10
Finance lease receivables	8,296	6,923	5,389	4,902	4,185
Deferred tax assets	471	765	551	472	857
Intangible assets	15,075	5,944	6,550	606	606
Total non-current assets	206,819	160,754	177,899	149,219	137,355
Current assets	271,450	204,236	206,248	152,007	135,392
Total Assets	478,269	364,990	384,147	301,226	272,747
Equity					
Share capital	67,200	67,200	67,200	67,200	67,200
Share premium	615	615	615	615	615
Reserves	169,939	163,048	161,292	144,434	132,030
Treasury shares	(3,933)	(3,679)	(2,394)	(1,745)	(269)
Shareholders' equity	233,821	227,184	226,713	210,504	199,576
Minority interest	384	-	-	152	477
Total equity	234,205	227,184	226,713	210,656	200,053
Non-current liabilities	74,518	26,880	29,235	9,886	15,422
Current liabilities	169,546	110,926	128,199	80,684	57,272
Total Equity and Liabilities	478,269	364,990	384,147	301,226	272,747
FINANCIAL STATISTICS					
Basic earnings per share (sen)	20.3	10.3	25.4	25.4	30.1
Dividend per share (net of tax) (sen)	9.0	7.5	7.4	6.6	8.3
Net assets per share (sen)	359	348	344	318	298
Return on invested capital (%)	19.7%	10.0%	25.0%	25.2%	30.0%
Return on shareholders' equity (%)	5.7%	3.0%	7.4%	8.0%	10.1%
Net debt/Equity (%)	22.2%	-	6.0%	-	-
Dividend History					
Interim	6%	5%	5%	4%	4%
Final	6%	6%	5%	5%	5%
Total	12%	11%	10%	9%	9%

Profile of the Directors

Dato' Tan Heng Chew

JP, DJMK

Aged 64, a Malaysian, was the first director of the Company when it was incorporated on 26 March 1997. He was appointed the Chairman of the Board of Warisan TC Holdings Berhad on 1 November 1999 and was redesignated as Executive Chairman on 1 January 2011.

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 Executive 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 2010.

Ting Lieng Yu

Aged 54, a Malaysian, is a Non-Independent Executive Director. He was appointed to the Board on 1 November 2008 and 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 ½ 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 2010.

Ngu Ew Look

Aged 57, 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 2010.

Dato' Haji Nadzam bin Haji Mohd Din

JP, DJMK, KMN, AMP

Aged 68, 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 four (4) out of five (5) Board Meetings held in 2010.

Seow Thiam Fatt

Aged 70, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 July 2002 and is the 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 2010.

Datuk Abdullah bin Abdul Wahab

KMN, DPSJ, PJN

Aged 60, 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 2010.

Dato’ Chong Kwong Chin

JP, DIMP

Aged 58, 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.

Dato’ Chong is a Member of the Malaysian Institute of Accountants, Fellow Member of the Association of Chartered Certified Accountants, Associate Member of the Institute of Chartered Secretaries and Administrators (UK), a Member of the Institute of Certified Public Accountants Singapore, a Member of the Institute of Management (UK) and a Fellow of CPA Australia. Dato’ Chong has been in public practice since 1979 when he started his own accounting firm, Eddy KC Chong & Co. The firm merged with Tet O. Chong & Co in 1990 and is now practising under the name of Ismail Chong & Associate, 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.

Dato’ 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.

Dato’ Chong attended all the five (5) Board Meetings held in 2010.

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 2010, 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 Executive 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 18 to 20.

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.

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 Nominating Committee is currently not required. Consequently, this role will be performed by the Board as a whole when necessary and as appropriate.

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

V Re-election and Re-appointment 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. Hence, Directors who are due for re-election by rotation in accordance with Article 96 of the Company's Articles of Association at the forthcoming Fourteenth Annual General Meeting are Dato' Haji Nadzam bin Haji Mohd Din and Dato' Chong Kwong Chin. Dato' Haji Nadzam however, will not be seeking re-election.

Pursuant to Section 129 (2) of the Companies Act, 1965, Directors who are over the age of 70 years shall retire at every Annual General Meeting and may offer themselves for re-appointment to hold office until the next Annual General Meeting.

Mr Seow Thiam Fatt, having attained the age of 70 years, is seeking appointment as director under Section 129 of the Companies Act, 1965 at the forthcoming Fourteenth Annual General Meeting. The profiles of the Directors who are due for re-election and appointment are set out on pages 19 and 20.

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 2010 included, amongst others, the following:-

- The Challenges of Implementing FRS 139
- Building Audit Committees for Tomorrow
- Governance & Ethical Practices in the Boardroom
- Corporate Governance and The Media
- Strategic Organizational Transformation and Renewal
- Premier Business Management Program
- Workshop on GST and Transfer Pricing
- Audit Oversight Board – Implication for Public Interest Entities
- Minority Shareholders' Rights & Oppression and Remedies

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 2010 is as follows:

	Executive Directors	**Non-Executive Directors**
Directors' fee	-	130,680
Salaries & allowances	382,190	19,000
Bonus	137,178	-
Benefits in kind	15,065	-
TOTAL	534,433	149,680

Range of remuneration	**Executive**	**Non-Executive**
50,000 and below	-	2
50,001 – 100,000	-	1
500,000 – 550,000	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 www.bursamalaysia.com and serve 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, 20 May 2010 at 11:00 a.m. at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur. It was attended by shareholders comprising registered individuals, proxies and corporate representatives with a total shareholding representing 59.66% of the issued share capital.

D: ACCOUNTABILITY AND AUDIT

I Financial Reporting

The Board aims to present a balanced and understandable assessment of the Company's and the Group's position and prospects to the shareholders, investors and regulatory authorities primarily through the annual report and quarterly financial 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 on Internal Control furnished on page 28 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 25 to 27 of the Annual Report.

The Board through the Audit Committee has established a transparent relationship with the external auditors. The external auditors are invited to attend Audit Committee meetings at least twice a year to discuss their audit plans and to discuss auditing matters that require the Board's attention.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES IN CORPORATE GOVERNANCE

The Directors considered that for the financial year ended 31 December 2010, 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 Nominating and Remuneration Committees as explained in the report on the application of the principles and best practices in corporate governance.

COMPOSITION AND MEETINGS

The composition of the Audit Committee (the "Committee") and the attendance of its members at the four (4) meetings held in 2010 are set out below:

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

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 fulfills 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 numbers 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 ("MMLR") 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.

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; and
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.

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 MMLR 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 and their auditors' report in relation to the audit and accounting issues arising from the audit.
- reviewed the Company's compliance with regard to the MMLR of Bursa Securities and compliance with updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
- reviewed related party transactions of the Company and the Group.
- reviewed 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.

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. The database of all risks and controls in a form of risk scorecard is subject to regular reviews.

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 total costs incurred for the internal audit function in respect of the financial year 2010 amounted to RM209,922.

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 111,000 shares of RM1.00 each from the open market. Details of the shares bought back during the financial year were 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)
January	10,000	2.2800	2.2800	2.2800	22,966.64
March	82,800	2.2800	2.1600	2.2640	188,492.19
May	3,200	2.2200	2.1800	2.1988	7,088.34
June	10,000	2.2000	2.2000	2.2000	22,160.60
November	5,000	2.6200	2.6200	2.6200	13,196.53
Total	111,000				253,904.30

Note: * Including transaction costs

All the shares bought back during the financial year are held as treasury shares. As at 31 December 2010, a total of 1,992,400 shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

(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.

Additional Compliance Information

(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 RM56,600.

(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 continuously made Corporate Social Responsibility (CSR) as an integral part of business, and the way it conducts business. During the year 2010, the Group has undertaken the following CSR activities in support of the community, workplace, market place and environment.

COMMUNITY

As part of the Group's CSR efforts, the employees of the Group have participated in various community services which include bringing cheers to underprivileged children on an excursion fun trip to A-Famosa in Malacca, collection of food and daily essentials for shelter home, fund raising activities and donations to the Malaysia AEON Foundation and the National Cancer Society of Malaysia and donations (cash and in-kind) to provide aids to the needy. To foster a caring society, the Group has offered employment to fresh graduates of different disciplines and offered internship program for undergraduates from local institutions of higher learning and universities.

WORKPLACE

The Group is committed in ensuring that due recognition must be given to our employees who have worked hard to deliver our commitments. For human capital development, employees are provided with continuous learning and development opportunities to prepare themselves for greater challenges in the workplace. The Group has set up educational assistance program to provide financial assistance for eligible employees to pursue their higher level of studies in local universities.

Team building activities were held during the year to foster better relationship and teamwork among the Group's employees. Employees were encouraged to participate in various games and sports such as futsal, badminton and indoor games organized throughout the year. Other activities such as yoga and Naturopathy Employee Wellness Services to promote a healthy lifestyle and recognition of academic excellence were given to the children of the Group's employees.

Corporate Social Responsibility

MARKET PLACE

Mayflower, the Travel Division, has placed great emphasis on providing high quality products and superior services and engaging in ethical procurement with its business partners and suppliers who practice sustainable tourism ethics, support the local community and provide economic benefits and rewards to the local residents.

During the year, as most programs were concentrated in the Peninsular Malaysia, Mayflower has developed a campaign where for every purchase of the Sepilok Orang Utan Excursion, part of the proceedings has been contributed towards the rehabilitation centre.

Mayflower has taken several initiatives in promoting green, eco-tourism and environmental friendly packages to tourists.

Since October 2003, Wacoal Malaysia Sdn Bhd, a joint-venture company of the Group, fulfills its social obligations through its Wacoal Pink Ribbon campaign; aiming at raising awareness for Breast Cancer and Breast Self Examination. As part of the efforts to educate public about breast cancer, specially designed information cards have made available to educate women the way to perform breast self-examination as well as the importance of early diagnosis and prevention of breast cancer.

In order to reach out to wider audience, Wacoal Malaysia Sdn Bhd organized 2010 Pink Ribbon Campaign jointly with Fly Fm, a well known Radio Station.

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.

In an effort to continue to promote environmental awareness and practices, several initiatives such as recycling campaigns, air pollution controls, waste management, energy efficiency programmes and measures to reduce global warming were undertaken 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 2011

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	2,105	33.48	100,470	0.15
100 - 1,000	3,146	50.03	1,069,868	1.59
1,001 - 10,000	816	12.98	2,864,813	4.26
10,001 - 100,000	162	2.58	5,539,909	8.25
100,001 - 3,260,319	57	0.90	29,980,193	44.61
3,260,320 and above	2	0.03	25,651,147	38.17
Sub-Total	6,288	100.00	65,206,400	97.03
Treasury shares			1,993,600	2.97
Total	**6,288**	**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	2,475,633	3.80	30,586,216	46.91[(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.	Dato' Chong Kwong Chin	-	-	-	-

Notes:

(1) *Percentage is based on issued shares less treasury shares.*

(2) *Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 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 2011

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

	Name	Direct No. of Shares Held	%[5]	Indirect No. of Shares Held	%[5]
1.	Tan Chong Consolidated Sdn Bhd	21,748,570	33.35	5,352,577	8.21[1]
2.	Dato' Tan Heng Chew	2,475,633	3.80	29,323,247	44.97[2]
3.	Tan Eng Soon	-	-	29,393,247	45.08[3]
4.	Tan Kheng Leong	10,000	0.02	27,101,147	41.56[4]

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) Percentage is based on issued shares less treasury shares.

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
1	Tan Chong Consolidated Sdn Bhd	20,298,570	31.1297
2	HSBC Nominees (Tempatan) Sdn Bhd *Exempt AN for HSBC (Malaysia) Trustee Berhad (D09-6061)*	5,352,577	8.2086
3	Citigroup Nominees (Asing) Sdn Bhd *CBHK for Platinum Broking Company Limited (client a/c)*	2,300,000	3.5273
4	Wealthmark Holdings Sdn Bhd	2,222,100	3.4078
5	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt AN for British and Malayan Trustees Limited (Yeoman 3-Rights)*	2,200,000	3.3739
6	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Austral International Holdings Limited*	1,396,100	2.1410
7	Tan Boon Hooi	1,326,671	2.0346
8	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Khor Swee Wah @ Koh Bee Leng (MM1208)*	1,262,969	1.9369
9	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Tan Heng Chew (MM1063)*	1,133,900	1.7389
10	Key Development Sdn Berhad	1,130,000	1.7330
11	HSBC Nominees (Asing) Sdn Bhd *RBS Coutts Sg for Cyber Structure Ltd*	1,100,000	1.6870
12	Cimsec Nominees (Tempatan) Sdn Bhd *Allied Investments Limited for Tan Chong Consolidated Sdn Bhd*	1,000,000	1.5336
13	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Drylon Holdings Limited*	1,000,000	1.5336
14	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Haveling Estates Limited*	900,000	1.3802
15	HSBC Nominees (Asing) Sdn Bhd *BNY Brussels for Noble Pacific Mutual Fund Limited*	774,000	1.1870
16	Wong Yu @ Wong Wing Yu	730,000	1.1195
17	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teo Kwee Hock (Margin)*	718,400	1.1017

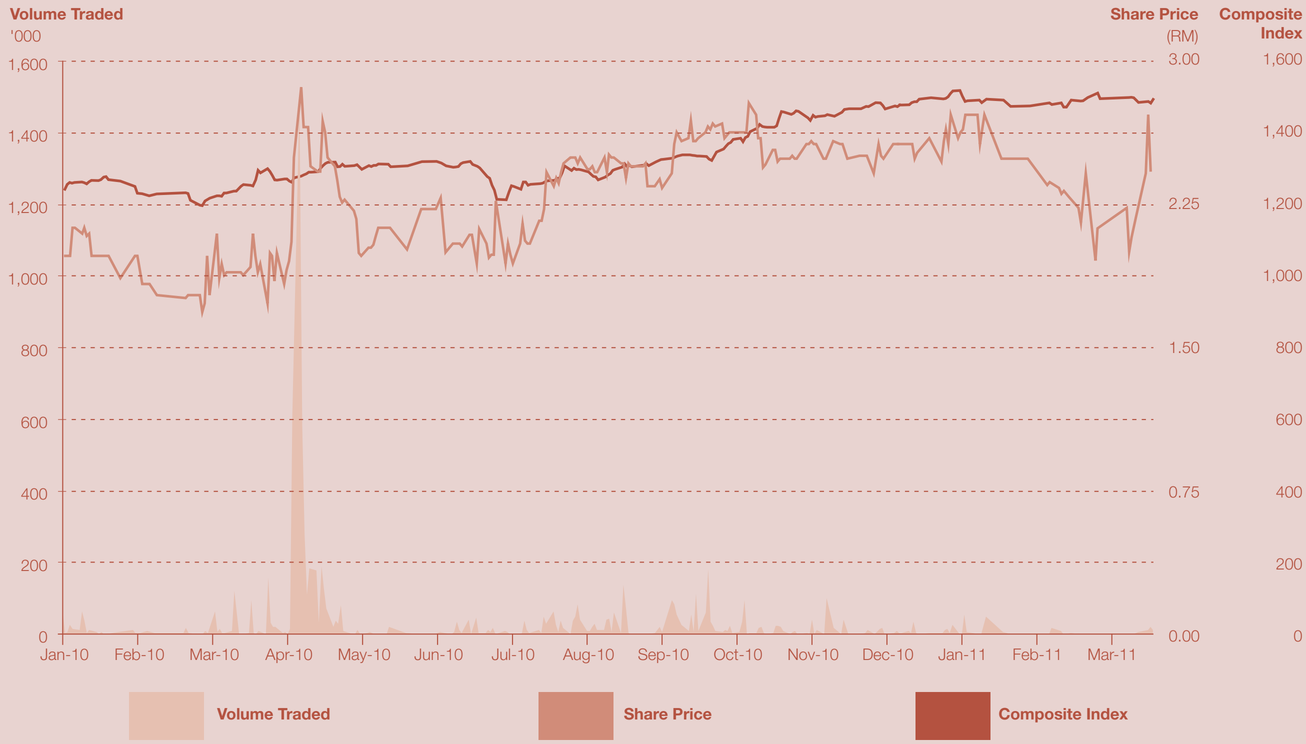
THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
18	Gan Teng Siew Realty Sdn Berhad	692,500	1.0620
19	Tan Kim Hor	589,831	0.9046
20	Chinchoo Investment Sdn Berhad	583,700	0.8952
21	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (8041121)*	558,300	0.8562
22	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chong Consolidated Sdn Bhd (014011528927)*	450,000	0.6901
23	M & A Securities (Asing) Sdn Bhd *IVT (B)*	432,900	0.6639
24	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew* (473963)	375,000	0.5750
25	Key Development Sdn Berhad	358,900	0.5504
26	Rengo Malay Estate Sendirian Berhad	330,000	0.5061
27	M & A Nominee (Asing) Sdn Bhd *Pedigree Limited*	329,800	0.5058
28	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)*	312,505	0.4793
29	HDM Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for Lim Mee Hwa*	300,000	0.4601
30	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (E-KLC)*	281,100	0.4311
	TOTAL	**50,439,823**	**77.3541**

Note:

* *Percentage is based on issued shares less treasury shares*

Share Price And Volume Traded



Group Properties

as at 31 December 2010

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	1.6	34	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	4.3	18	20.12.1990	-
43 Jalan IMJ 3 Taman Industry Malim Jaya 75050 Malacca	Office and workshop	11,087	3,700	Leasehold 18.11.2095	0.3	14	12.12.1996	-
19 Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	0.6	18	20.5.2000	-
Lot 1A Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2058	10.0	36	10.9.2004	2010
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	7.5	18	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	33	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	10	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	9.9	3	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	11	20.7.2004	-
18 VSIP 11 Street 2 Vietnam Singapore Industrial Park II (VSIP II) Binh Duong Industry-Service-Urban complex, Hoa Phu Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam	-	13,108	-	Leasehold 30.11.2055	0.9	-	2.12.2009	-

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 financial position of the Group and Company and their financial performance and cash flows for the financial year.

In preparing the financial statements for the year ended 31 December 2010, the Directors have:

1. adopted the appropriate accounting policies, which are consistently applied;
2. made judgments and estimates that are reasonable and prudent; and
3. ensured that the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 1965 are complied with.

The Directors have the responsibility for ensuring that the Company and the Group keep proper and adequate accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and to ensure that the financial statements comply with the requirements of the Companies Act, 1965. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Financial Statements

Directors' Report

for the year ended 31 December 2010

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 2010.

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 4 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 for the year	13,080	7,773
Attributable to:		
Shareholders of the Company	13,236	7,773
Minority interests	(156)	-
	13,080	7,773

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 December 2009, as proposed in the Directors' Report for that year:	
- a final dividend of 6% less tax at 25%	2,935
In respect of the financial year ended 31 December 2010:	
- an interim dividend of 6% less tax at 25%	2,935
	5,870

The Directors proposed the payment of a final dividend of 6% less tax at 25% in respect of the financial year ended 31 December 2010.

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 52 and 57.

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 20 May 2010. The authority will expire at the conclusion of the forthcoming AGM.

At 31 December 2010, 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
2010	111,000	2.29	253,904
	1,992,400		3,933,165

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
Dato'Chong Kwong Chin

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 1.1.2010	Additional	Disposal	At 31.12.2010
Dato' Tan Heng Chew				
- direct interest	2,363,933	89,400	-	2,453,333
- indirect interest ^	30,045,013	13,440,000	14,161,766	29,323,247
- indirect interest #	1,102,969	160,000	-	1,262,969
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	9,000	-	-	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 2010 did not have any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements of the Group, the Company and/or its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to be have arisen from transactions disclosed in note 30(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 statements of comprehensive income and statements of financial position 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.

OTHER STATUTORY INFORMATION (continued)

(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.

(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 13 April 2011

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 statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows 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 46 to 108, except for pages 49 to 51 which are expressed in USD equivalent.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 of the financial statements that give a true and fair view 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 2010 and of their financial performance and cash flows for the year then ended.

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 all the subsidiaries of which we have not acted as auditors, and which are indicated in note 4 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 Reporting Responsibilities

The supplementary information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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
13 April 2011

Consolidated Statement of Financial Position

as at 31 December 2010

	Note	2010 RM'000	2009 RM'000 Restated	1.1.2009 RM'000 Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	*2*	**182,942**	147,087	165,374
Intangible assets	*6*	**15,075**	5,944	6,550
Deferred tax assets	*7*	**471**	765	551
Finance lease receivables	*8*	**8,296**	6,923	5,389
Other investments	*9*	**35**	35	35
		206,819	160,754	177,899
CURRENT ASSETS				
Inventories	*10*	**81,017**	65,561	73,561
Trade and other receivables	*11*	**99,790**	69,465	78,952
Current tax assets		**3,555**	2,352	2,527
Fixed deposits	*12*	**56,301**	44,075	28,782
Cash and bank balances		**30,687**	22,783	22,426
Derivative financial assets		**100**	-	-
		271,450	204,236	206,248
TOTAL ASSETS		**478,269**	364,990	384,147
EQUITY AND LIABILITIES				
EQUITY				
Share capital	*13*	**67,200**	67,200	67,200
Share premium		**615**	615	615
Treasury shares	*14*	**(3,933)**	(3,679)	(2,394)
Merger reserve		**(41,614)**	(41,614)	(41,614)
Translation reserve		**(662)**	(187)	(136)
Hedging reserve	*15*	**-**	-	-
Retained earnings		**212,215**	204,849	203,042
Total equity attributable to shareholders of the Company		**233,821**	227,184	226,713
Minority interests		**384**	-	-
TOTAL EQUITY		**234,205**	227,184	226,713

Consolidated Statement of Financial Position

as at 31 December 2010

	Note	2010 RM'000	2009 RM'000 Restated	1.1.2009 RM'000 Restated
NON-CURRENT LIABILITIES				
Bank term loans (unsecured)	*16*	**58,344**	14,821	20,274
Retirement benefit obligations	*17*	**2,303**	2,043	1,988
Deferred tax liabilities	*18*	**13,871**	10,016	6,973
		74,518	26,880	29,235
CURRENT LIABILITIES				
Trade and other payables	*19*	**87,814**	70,342	81,652
Bank borrowings (unsecured)	*20*	**80,565**	39,509	44,434
Current tax liabilities		**1,067**	1,075	2,113
Derivative financial liabilities		**100**	-	-
		169,546	110,926	128,199
TOTAL LIABILITIES		**244,064**	137,806	157,434
TOTAL EQUITY AND LIABILITIES		**478,269**	364,990	384,147

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2010

	Note	2010 RM'000	2009 RM'000 Restated
Revenue	21	**363,831**	307,732
Cost of sales		**(247,788)**	(213,635)
Gross profit		**116,043**	94,097
Other income		**4,162**	3,882
Selling and distribution expenses		**(57,432)**	(47,053)
Administrative and general expenses		**(38,988)**	(36,813)
Profit from operations	22	**23,785**	14,113
Finance costs	23	**(3,746)**	(2,146)
Profit before tax		**20,039**	11,967
Tax expense	24	**(6,959)**	(5,224)
Profit for the year		**13,080**	6,743
Other comprehensive income, net of tax			
Change in fair value of cash flow hedge		**283**	-
Foreign currency translation		**(475)**	(51)
Other comprehensive income for the year, net of tax		**(192)**	(51)
Total comprehensive income for the year		**12,888**	6,692
Profit attributable to:			
Shareholders of the Company		**13,236**	6,743
Minority interests		**(156)**	-
Profit for the year		**13,080**	6,743
Total comprehensive income attributable to:			
Shareholders of the Company		**13,044**	6,692
Minority interests		**(156)**	-
Total comprehensive income for the year		**12,888**	6,692
Basic earnings per share (sen)	25	**20.29**	10.26
Dividend per share (net of tax) (sen)	26	**9.0**	7.5

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

Consolidated Statement of Financial Position

as at 31 December 2010 (in USD equivalent)

	2010 USD'000	2009 USD'000 Restated	1.1.2009 USD'000 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**59,291**	42,883	47,658
Intangible assets	**4,886**	1,733	1,888
Deferred tax assets	**153**	223	159
Finance lease receivables	**2,688**	2,018	1,553
Other investments	**11**	10	10
	67,029	46,867	51,268
CURRENT ASSETS			
Inventories	**26,257**	19,114	21,199
Trade and other receivables	**32,342**	20,252	22,753
Current tax assets	**1,152**	686	728
Fixed deposits	**18,247**	12,850	8,294
Cash and bank balances	**9,946**	6,642	6,463
Derivative financial assets	**32**	-	-
	87,976	59,544	59,437
TOTAL ASSETS	**155,005**	106,411	110,705
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**21,779**	19,592	19,366
Share premium	**200**	179	177
Treasury shares	**(1,275)**	(1,073)	(690)
Merger reserve	**(13,487)**	(12,132)	(11,993)
Translation reserve	**(214)**	(55)	(39)
Hedging reserve	**-**	-	-
Retained earnings	**68,778**	59,723	58,514
Total equity attributable to shareholders of the Company	**75,781**	66,234	65,335
Minority interests	**124**	-	-
TOTAL EQUITY	**75,905**	66,234	65,335

Consolidated Statement of Financial Position

as at 31 December 2010 (in USD equivalent)

	2010 USD'000	2009 USD'000 Restated	1.1.2009 USD'000 Restated
NON-CURRENT LIABILITIES			
Bank term loans (unsecured)	**18,909**	4,321	5,843
Retirement benefit obligations	**746**	596	573
Deferred tax liabilities	**4,496**	2,920	2,009
	24,151	7,837	8,425
CURRENT LIABILITIES			
Trade and other payables	**28,460**	20,508	23,531
Bank borrowings (unsecured)	**26,111**	11,519	12,805
Current tax liabilities	**346**	313	609
Derivative financial liabilities	**32**	-	-
	54,949	32,340	36,945
TOTAL LIABILITIES	**79,100**	40,177	45,370
TOTAL EQUITY AND LIABILITIES	**155,005**	106,411	110,705

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2010, 2009 and 1.1.2009 are converted into USD equivalent using exchange rates RM3.0855 = USD1.00, RM3.43 = USD1.00 and RM3.47 = USD1.00 respectively which approximate that prevailing on the balance sheet dates.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2010 (in USD equivalent)

	2010 USD'000	2009 USD'000 Restated
Revenue	**117,916**	89,718
Cost of sales	**(80,307)**	(62,284)
Gross profit	**37,609**	27,434
Other income	**1,349**	1,132
Selling and distribution expenses	**(18,614)**	(13,718)
Administrative and general expenses	**(12,636)**	(10,733)
Profit from operations	**7,708**	4,115
Finance costs	**(1,214)**	(626)
Profit before tax	**6,494**	3,489
Tax expense	**(2,255)**	(1,523)
Profit for the year	**4,239**	1,966
Other comprehensive income, net of tax		
Change in fair value of cash flow hedge	**92**	-
Foreign currency translation	**(154)**	(15)
Other comprehensive income for the year, net of tax	**(62)**	(15)
Total comprehensive income for the year	**4,177**	1,951
Profit attributable to:		
Shareholders of the Company	**4,290**	1,966
Minority interests	**(51)**	-
Profit for the year	**4,239**	1,966
Total comprehensive income attributable to:		
Shareholders of the Company	**4,228**	1,951
Minority interests	**(51)**	-
Total comprehensive income for the year	**4,177**	1,951
Basic earnings per share (sen)	**6.58**	3.02
Dividend per share (net of tax) (sen)	**2.9**	2.2

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2010 and 2009 are converted into USD equivalent using exchange rates RM3.0855 = USD1.00 and RM3.43 = USD1.00 respectively which approximate that prevailing on the balance sheet dates.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

		<----- 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	Hedging reserve RM'000	Retained earnings RM'000 Restated	Total RM'000	Minority Interest RM'000	Total equity RM'000
At 1 January 2009											
- as previously stated		67,200	615	(2,394)	(41,614)	(136)	-	204,968	228,639	-	228,639
- effect of amendment to FRS 138		-	-	-	-	-	-	(1,926)	(1,926)	-	(1,926)
At 1 January 2009, restated		67,200	615	(2,394)	(41,614)	(136)	-	203,042	226,713	-	226,713
Total comprehensive income for the year		-	-	-	-	(51)	-	6,820	6,769	-	6,769
- effect of amendment to FRS 138		-	-	-	-	-	-	(77)	(77)	-	(77)
- as restated		-	-	-	-	(51)	-	6,743	6,692	-	6,692
Purchase of treasury shares		-	-	(1,285)	-	-	-	-	(1,285)	-	(1,285)
Dividends to shareholders of the Company	*26*	-	-	-	-	-	-	(4,936)	(4,936)	-	(4,936)
At 31 December 2009, restated		67,200	615	(3,679)	(41,614)	(187)	-	204,849	227,184	-	227,184
At 1 January 2010											
- as restated		67,200	615	(3,679)	(41,614)	(187)	-	204,849	227,184	-	227,184
- effect of adopting FRS 139		-	-	-	-	-	(283)	-	(283)	-	(283)
At 1 January 2010, restated		67,200	615	(3,679)	(41,614)	(187)	(283)	204,849	226,901	-	226,901
Issue of shares		-	-	-	-	-	-	-	-	540	540
Total comprehensive income for the year		-	-	-	-	(475)	283	13,236	13,044	(156)	12,888
Purchase of treasury shares		-	-	(254)	-	-	-	-	(254)	-	(254)
Dividends to shareholders of the Company	*26*	-	-	-	-	-	-	(5,870)	(5,870)	-	(5,870)
At 31 December 2010		**67,200**	**615**	**(3,933)**	**(41,614)**	**(662)**	**-**	**212,215**	**233,821**	**384**	**234,205**

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

Consolidated Statement of Cash Flows

for the year ended 31 December 2010

	Note	2010 RM'000	2009 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**20,039**	11,967
Adjustments for:			
Allowance for doubtful debts, net of write backs		**(481)**	(70)
Bad debts written off		**28**	57
Depreciation		**31,997**	29,091
Gain on disposal of property, plant and equipment		**(149)**	(112)
Gain on disposal of assets held for rental		**(2,538)**	(7)
Goodwill written off		**-**	606
Impairment loss on property, plant and equipment		**63**	-
Impairment loss on property, plant and equipment written back		**-**	(80)
Interest expense		**3,746**	2,146
Interest income		**(1,258)**	(761)
Inventory written off/down		**2,061**	1,403
Opening balance adjustment		**(275)**	-
Property, plant and equipment written off		**185**	198
Retirement benefits		**333**	341
Unrealised loss/(gain) on foreign exchange (net)		**150**	(308)
Operating profit before working capital changes		**53,901**	44,471
Changes in inventories		**(14,806)**	7,668
Changes in receivables		**(31,245)**	7,966
Changes in payables		**17,322**	(11,002)
Cash generated from operations		**25,172**	49,103
Proceeds from disposal of assets held for rental		**9,391**	11,128
Tax paid, net of refunds		**(4,347)**	(3,258)
Retirement benefits paid		**(96)**	(286)
Net cash from operating activities		**30,120**	56,687
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary		**(700)**	-
Acquisition of remaining equity interest in a jointly controlled entity	*(i)*	**(9,595)**	-
Acquisition of property, plant and equipment		**(75,591)**	(23,284)
Proceeds from disposal of property, plant and equipment		**404**	282
Interest received		**1,258**	761
Withdrawal of fixed deposit		**-**	75
Net cash used in investing activities		**(84,224)**	(22,166)

Consolidated Statement of Cash Flows

for the year ended 31 December 2010

	2010 RM'000	2009 RM'000 Restated
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank term loans	**62,237**	3,439
Repayment of bank term loans	**(11,110)**	(9,575)
Drawdown of revolving credits	**20,000**	15,000
Repayment of revolving credits	**(5,000)**	(10,000)
Drawdown/(Repayment) of bankers' acceptances (net)	**18,452**	(9,242)
Dividends paid	**(5,870)**	(4,936)
Interest paid	**(3,746)**	(2,146)
Treasury shares acquired	**(254)**	(1,285)
Net cash from/(used in) financing activities	**74,709**	(18,745)
NET CHANGES IN CASH AND CASH EQUIVALENTS	**20,605**	15,776
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**66,858**	51,133
Foreign exchange differences	**(475)**	(51)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**86,988**	66,858
Represented by:		
CASH AND BANK BALANCES	**30,687**	22,783
FIXED DEPOSITS	**56,301**	44,075
	86,988	66,858

Note (i) - Acquisition of assets and liabilities

During the year, the Group acquired the remaining 30% issued and paid-up share capital of Mayflower Corporate Travel Services Sdn Bhd (formerly known as Mayflower American Express Travel Services Sdn Bhd) and had the following effect on its assets and liabilities:

	RM'000
Property, plant and equipment	245
Current assets	9,903
Current liabilities	(5,579)
	4,569
Goodwill on acquisition	8,431
Purchase consideration	13,000
Cash acquired	(3,405)
Net cash outflow	9,595

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

Statement of Financial Position

as at 31 December 2010

	Note	2010 RM'000	2009 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*2*	**799**	537
Investment properties	*3*	**22,200**	21,000
Investment in subsidiary companies	*4*	**118,162**	80,633
Investment in jointly controlled entities	*5*	**24,568**	24,568
Deferred tax assets	*7*	**112**	112
		165,841	126,850
CURRENT ASSETS			
Trade and other receivables	*11*	**14,604**	32,769
Current tax assets		**1,950**	1,438
Fixed deposits	*12*	**18,014**	15,616
Cash and bank balances		**2,434**	1,696
		37,002	51,519
TOTAL ASSETS		**202,843**	178,369
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*13*	**67,200**	67,200
Treasury shares	*14*	**(3,933)**	(3,679)
Revaluation reserve		**930**	930
Retained earnings		**102,781**	100,878
TOTAL EQUITY		**166,978**	165,329
NON-CURRENT LIABILITIES			
Bank term loan	*16*	**20,000**	-
Retirement benefit obligations	*17*	**467**	441
		20,467	441
CURRENT LIABILITIES			
Trade and other payables	*19*	**15,398**	12,599
TOTAL LIABILITIES		**35,865**	13,040
TOTAL EQUITY AND LIABILITIES		**202,843**	178,369

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

Statement of Comprehensive Income

for the year ended 31 December 2010

	Note	2010 RM'000	2009 RM'000
Revenue	*21*	**10,973**	6,822
Other income		**2,689**	3,142
Administrative and general expenses		**(4,157)**	(4,112)
Profit from operations	*22*	**9,505**	5,852
Finance costs	*23*	**(773)**	(221)
Profit before tax		**8,732**	5,631
Tax expense	*24*	**(959)**	(371)
Profit for the year		**7,773**	5,260
Other comprehensive income, net of tax		**-**	-
Total comprehensive income for the year		**7,773**	5,260

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

Statement of Changes in Equity

for the year ended 31 December 2010

	Note	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
		<---------- Non-distributable		---------->	Distributable	
At 1 January 2009		67,200	(2,394)	930	100,554	166,290
Total comprehensive income for the year		-	-	-	5,260	5,260
Purchase of treasury shares		-	(1,285)	-	-	(1,285)
Dividends to shareholders of the Company	*26*	-	-	-	(4,936)	(4,936)
At 31 December 2009		67,200	(3,679)	930	100,878	165,329
At 1 January 2010		67,200	(3,679)	930	100,878	165,329
Total comprehensive income for the year		-	-	-	7,773	7,773
Purchase of treasury shares		-	(254)	-	-	(254)
Dividends to shareholders of the Company	*26*	-	-	-	(5,870)	(5,870)
At 31 December 2010		**67,200**	**(3,933)**	**930**	**102,781**	**166,978**

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

Statement of Cash Flows

for the year ended 31 December 2010

	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**8,732**	5,631
Adjustments for:		
Depreciation	**139**	132
Dividend income	**(10,086)**	(5,950)
Fair value adjustment on investment properties	**(1,200)**	(1,200)
Loss/(Gain) on disposal of property, plant and equipment	**9**	(26)
Property, plant and equipment written off	**1**	-
Impairment in value of investment in subsidiary companies written back	**(769)**	(1,563)
Interest income	**(589)**	(333)
Interest expense	**773**	221
Retirement benefits	**26**	45
Operating loss before working capital changes	**(2,964)**	(3,043)
Changes in receivables	**18,165**	7,303
Changes in payables	**2,799**	(935)
Cash generated from operations	**18,000**	3,325
Tax refunded	**-**	511
Retirement benefits paid	**-**	(224)
Net cash from operating activities	**18,000**	3,612
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(462)**	(173)
Proceeds from disposal of property, plant and equipment	**51**	57
Subscription of additional shares in subsidiary companies	**(36,760)**	(550)
Interest received	**589**	333
Dividends received from subsidiary companies	**7,700**	4,000
Dividends received from jointly controlled entities	**915**	963
Net cash (used in)/from investing activities	**(27,967)**	4,630

Statement of Cash Flows

for the year ended 31 December 2010

	2010 RM'000	2009 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(773)**	(221)
Dividends paid	**(5,870)**	(4,936)
Treasury shares acquired	**(254)**	(1,285)
Drawdown of term loan	**20,000**	-
Net cash from/(used in) financing activities	**13,103**	(6,442)
NET CHANGES IN CASH AND CASH EQUIVALENTS	**3,136**	1,800
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**17,312**	15,512
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**20,448**	17,312
Represented by:		
CASH AND BANK BALANCES	**2,434**	1,696
FIXED DEPOSITS	**18,014**	15,616
	20,448	17,312

Notes to and forming part of the financial statements are set out on pages 60 to 108
Auditors' Report - Pages 44 to 45

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

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

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

(b) Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following new and amended FRSs and IC Interpretations, effective for financial period beginning on or after 1 January 2010:

FRS 7	*Financial Instruments: Disclosures*
FRS 8	*Operating Segments*
FRS 101	*Presentation of Financial Statements (Revised)*
FRS 123	*Borrowing Costs*
FRS 139	*Financial Instruments: Recognition and Measurement*
Amendments to FRS 1 and FRS 127	*First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
Amendments to FRS 7	*Financial Instruments: Disclosures*
Amendment to FRS 8	*Operating Segments*
Amendment to FRS 116	*Property, Plant and Equipment*
Amendment to FRS 117	*Leases*
Amendments to FRS 132	*Financial Instruments: Presentation*
Amendment to FRS 138	*Intangible Assets*
Amendments to FRS 139	*Financial Instruments: Recognition and measurement*
IC Interpretation 13	*Customer Loyalty Programmes*

The adoption of the above standards did not have any material impact on the financial performance or position of the Group and the Company except for those discussed below.

<u>FRS 7 *Financial Instruments: Disclosures*</u>

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(b) **Changes in accounting policies** (continued)

FRS 8 *Operating Segments*

FRS 8, which replaces FRS 114 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance.

The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers, where applicable. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114.

FRS 101 *Presentation of Financial Statements (Revised)*

The revised 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. The Group and the Company have elected to present this statement as one single statement.

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.

The revised FRS 101 was adopted retrospectively by the Group and the Company. Since the change only affects presentation aspects, there is no impact on earnings per share.

FRS 139 *Financial Instruments: Recognition and Measurement*

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated.

Amendment to FRS 117 *Leases*

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the leassee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance is finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per share for the current and prior periods.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New/revised FRSs, Amendments to FRSs and Issue Committee Interpretations ("IC Interpretations") that are issued but 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 Malaysian Accounting Standards Board (MASB) but are not yet effective:

New/revised FRSs, Amendments to FRSs and IC Interpretations		**Effective for financial periods beginning on or after**
FRS 1	*First-time Adoption of Financial Reporting Standards*	1 July 2010
FRS 3	*Business Combinations (revised)*	1 July 2010
Amendments to FRS 2	*Share-based Payment*	1 July 2010
Amendments to FRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 127	*Consolidated and Separate Financial Statements*	1 July 2010
Amendments to FRS 138	*Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9	*Reassessment of Embedded Derivatives*	1 July 2010
IC Interpretation 12	*Service Concession Arrangements*	1 July 2010
IC Interpretation 16	*Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17	*Distributions of Non-cash Assets to Owners*	1 July 2010
Amendments to FRS 132	*Classification of Rights Issues*	1 March 2010
Amendments to FRS 1	*Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendments to FRS 7	*Improving Disclosures about Financial Instruments*	1 January 2011

The above new FRSs, Amendments to FRSs and IC Interpretations are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application, except for the following:

FRS 3 *Business Combination (revised)* and Amendments to FRS 127 *Consolidated and Separate Financial Statements*

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of Cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The Effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to adopt early.

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates (continued)

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 reporting 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 2010 were RM182,942,000 and RM799,000 (2009: RM147,087,000 and RM537,000), respectively.

Estimation of the fair value of investment properties

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

Provision for stock obsolescence and inventories write down

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

Inventories are reviewed on a regular basis and the Group will make a provision for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

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 2010 was RM81,017,000 (2009: RM65,561,000).

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the creditworthiness and the past collection history of each customer.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2010 were RM99,790,000 and RM14,604,000 (2009: RM69,465,000 and RM32,769,000), respectively.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates (continued)

Impairment of goodwill and brands

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

Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and brands and sensitivity analysis to changes in the assumptions are given in note 6.

The net carrying amount of the Group's goodwill as at 31 December 2010 was RM14,375,000 (2009: RM5,944,000).

Income taxes

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

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

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

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 current tax assets as at 31 December 2010 were RM3,555,000 and RM1,950,000 (2009: RM2,352,000 and RM1,438,000), respectively.

The carrying amounts of the Group's and the Company's deferred tax assets as at 31 December 2010 were RM471,000 and RM112,000 (2009: RM765,000 and RM112,000), respectively.

The carrying amounts of the Group's current and deferred tax liabilities as at 31 December 2010 were RM1,067,000 (2009: RM1,075,000) and RM13,871,000 (2009: RM10,016,000) respectively.

(e) Property, plant and equipment

(i) Recognition and measurement

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

Revalued property, plant and equipment

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

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

The Directors are of the opinion that the current market values of the revalued properties are not less than their net carrying amounts as at 31 December 2010.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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. Leasehold land is amortised on a straight-line basis over the remaining period of the lease.

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 cabins	5 - 7 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 reporting date.

(f) Investment properties

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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.

(h) 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 4 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.

The excess of the acquisition cost over the fair values of the identifiable assets, liabilities, contingent liabilities acquired is retained in the statement of financial position 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 note 1(j)(i).

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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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.

(j) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated equipment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(ii) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying amount may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company becomes a party to be contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract which terms require delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned.

All regular way purchases or sales of financial assets are recognised on the trade date, i.e. the date that the Group or the Company commits to purchase the asset or sell the asset.

(iii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(iii) Financial instrument categories and subsequent measurement (continued)

(c) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see note 1(s)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery or unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(iv) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts to manage its exposure to foreign currency risk. The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting. The Group has chosen to adopt the cash flow hedge.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is classified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(l) Leases

(i) As lessee

Finance lease, which transfers to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leases (continued)

(ii) As lessor

Leases where the Group retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy on rental income is set out in note 1(u).

(m) Trade and other receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequently, stated at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables.

(n) 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.

(o) Liabilities

Prior to 1 January 2010, payables were measured initially and subsequently at cost.

Following the adoption of FRS 139, payables are categorised and measured as financial liabilities at amortised cost.

(p) Government grants

Government grants are recognised initially at their fair value in the statement of financial position 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.

(q) 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 shares of the Company that have been 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

(ii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM are translated at the exchange rates ruling at the reporting 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) Impairment of financial assets

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortization) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified form equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for investment in an equity instrument is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Impairment of non-financial assets

(i) Goodwill

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

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

An impairment loss is recognised in the income statement when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit.

Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

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

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

Property, plant and equipment, investment in subsidiary companies and jointly controlled entities are assessed at each reporting date to determine whether there is any indication of impairment.

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

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are 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.

(u) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition (continued)

(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.

(v) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Borrowing costs

Before 1 January 2010, all borrowing costs were recognised in profit or loss using the effective interest method in the period in which they are incurred.

Following the adoption of FRS 123, Borrowing Costs, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use of sale, are capitalised as part of the cost of those assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(x) 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 reporting 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 reporting date. Current and deferred tax is recognised as an income or an expense in the income statement or is credited or charged directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or different period, directly to other comprehensive income.

(y) 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 purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits pledged to secure banking facilities.

Cash and cash equivalents are categorised and measured as loans and receivables.

(z) 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.

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold 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 cabins RM'000	Capital work-in-progress RM'000	Total RM'000
2010												
Cost/valuation												
At 1 January	15,437	-	14,753	1,860	28,807	27,314	2,986	42,892	91,979	151	585	226,764
Effect of adopting amendment to FRS 117	-	11,525	-	-	-	-	-	-	-	-	-	11,525
At 1 January, restated	15,437	11,525	14,753	1,860	28,807	27,314	2,986	42,892	91,979	151	585	238,289
Cost	15,437	11,525	13,574	1,860	28,807	27,314	2,986	42,892	91,979	151	585	237,110
Valuation	-	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	11,525	14,753	1,860	28,807	27,314	2,986	42,892	91,979	151	585	238,289
Additions	-	875	-	92	25,919	3,451	689	2,738	40,758	-	1,069	75,591
Disposals	-	-	-	-	(3,657)	(615)	-	(13,517)	(6,353)	(2)	-	(24,144)
Reclassification	-	-	-	-	-	-	715	-	-	-	(715)	-
Write-off	-	-	-	(246)	(194)	(635)	(399)	-	-	(27)	-	(1,501)
Acquisition through business combination	-	-	-	-	-	777	60	-	-	-	-	837
At 31 December												
Cost	15,437	12,400	13,574	1,706	50,875	30,292	4,051	32,113	126,384	122	939	287,893
Valuation	-	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	12,400	14,753	1,706	50,875	30,292	4,051	32,113	126,384	122	939	289,072
Accumulated depreciation												
At 1 January	-	-	2,149	1,626	18,739	19,261	1,914	17,444	28,427	120	-	89,680
Effect of adopting amendment to FRS 117	-	1,522	-	-	-	-	-	-	-	-	-	1,522
At 1 January, restated	-	1,522	2,149	1,626	18,739	19,261	1,914	17,444	28,427	120	-	91,202
Charge for the year	-	205	281	111	4,940	3,556	314	5,090	17,489	11	-	31,997
Disposals	-	-	-	-	(3,269)	(57)	-	(5,372)	(7,628)	(2)	-	(16,328)
Impairment loss	-	-	-	-	63	-	-	-	-	-	-	63
Write-off	-	-	-	(246)	(174)	(560)	(309)	-	-	(27)	-	(1,316)
Acquisition through business combination	-	-	-	-	-	463	49	-	-	-	-	512
At 31 December	-	1,727	2,430	1,491	20,299	22,663	1,968	17,162	38,288	102	-	106,130
Net carrying amount												
At 31 December												
Cost	15,437	10,673	11,144	215	30,576	7,629	2,083	14,951	88,096	20	939	181,763
Valuation	-	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	**10,673**	**12,323**	**215**	**30,576**	**7,629**	**2,083**	**14,951**	**88,096**	**20**	**939**	**182,942**

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land RM'000	Leasehold 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 cabins RM'000	Capital work-in-progress RM'000	Total RM'000
2009												
Cost/valuation												
At 1 January	15,437	-	14,498	1,865	30,016	24,347	2,166	48,048	96,929	151	628	234,085
Effect of adopting amendment to FRS 117	-	11,525	-	-	-	-	-	-	-	-	-	11,525
At 1 January, restated	15,437	11,525	14,498	1,865	30,016	24,347	2,166	48,048	96,929	151	628	245,610
Cost	15,437	11,525	13,319	1,865	30,016	24,347	2,166	48,048	96,929	151	628	244,431
Valuation	-	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	11,525	14,498	1,865	30,016	24,347	2,166	48,048	96,929	151	628	245,610
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, restated												
Cost	15,437	11,525	13,574	1,860	28,807	27,314	2,986	42,892	91,979	151	585	237,110
Valuation	-	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	11,525	14,753	1,860	28,807	27,314	2,986	42,892	91,979	151	585	238,289
Accumulated depreciation												
At 1 January	-	-	1,868	1,530	18,736	16,891	1,677	15,995	22,115	107	-	78,919
Effect of adopting amendment to FRS 117	-	1,317	-	-	-	-	-	-	-	-	-	1,317
At 1 January, restated	-	1,317	1,868	1,530	18,736	16,891	1,677	15,995	22,115	107	-	80,236
Charge for the year	-	205	281	102	4,029	3,355	237	5,940	14,929	13	-	29,091
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	-	1,522	2,149	1,626	18,739	19,261	1,914	17,444	28,427	120	-	91,202
Net carrying amount												
At 31 December, restated												
Cost	15,437	10,003	11,681	234	10,068	8,053	1,072	25,448	63,552	31	585	146,164
Valuation	-	-	923	-	-	-	-	-	-	-	-	923
	15,437	10,003	12,604	234	10,068	8,053	1,072	25,448	63,552	31	585	147,087

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Renovation RM'000	Furniture, fixtures, fittings and office equipment RM'000	Motor Vehicles RM'000	Total RM'000
2010				
Cost				
At 1 January	845	276	644	1,765
Additions	16	126	320	462
Disposals	-	(7)	(104)	(111)
Write-off	-	(5)	-	(5)
At 31 December	861	390	860	2,111
Accumulated depreciation				
At 1 January	830	187	211	1,228
Charge for the year	12	43	84	139
Disposals	-	(4)	(47)	(51)
Write-off	-	(4)	-	(4)
At 31 December	842	222	248	1,312
Net carrying amount At 31 December	**19**	**168**	**612**	**799**

2. 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

	Net carrying amount 2010 RM'000	2009 RM'000
The Group's buildings are situated as follows:		
On leasehold land	**2,191**	2,229
On freehold land	**9,886**	10,125
In a multi-storey office complex with strata title	**246**	250
	12,323	12,604

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.

3. INVESTMENT PROPERTIES

	Company 2010 RM'000	2009 RM'000
At 1 January	**21,000**	19,800
Changes in fair value	**1,200**	1,200
At 31 December	**22,200**	21,000

Investment properties comprise:

	Company 2010 RM'000	2009 RM'000
Long term leasehold land	**19,400**	18,000
Buildings	**2,800**	3,000
	22,200	21,000

The fair value of the investment properties at 31 December 2010 is based on a valuation carried out by Rahim & Co Chartered Surveyors Sdn Bhd on 31 December 2010.

4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2010 RM'000	2009 RM'000
Unquoted shares, at cost	**140,128**	103,368
Impairment loss	**(21,966)**	(22,735)
	118,162	80,633

4. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The subsidiary companies are as follows:

	Equity interest 2010 %	Equity interest 2009 %	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	Inactive
Tan Chong Apparels Sdn Bhd +	**100**	100	Malaysia	Inactive
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	Inactive
Jentrakel Sdn Bhd +	**100**	100	Malaysia	Rental and sale of industrial machinery and equipment
Mayflower Acme Tours Sdn Bhd +	**100**	100	Malaysia	Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services
Discovery Tours (Sabah) Sdn Bhd (100% of equity is held by Mayflower Acme Tours Sdn Bhd)	**100**	100	Malaysia	Operation of inbound and outbound 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	Licensed money changer
Comit Communications Technologies (M) Sdn Bhd +	**100**	100	Malaysia	Inactive
Virtual Travel Sdn Bhd +	**100**	100	Malaysia	Inactive

4. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

	Equity interest 2010 %	Equity interest 2009 %	Country of incorporation	Principal activities
Grooming Expert Sdn Bhd +	**100**	100	Malaysia	Hairdressing salons and beauty parlours
Angka-Tan Motor Sdn Bhd +	**100**	100	Malaysia	Assembly and distribution of commercial vehicles
Mayflower (Labuan) Pte Ltd	**100**	100	Labuan Malaysia	Investment holding
Mayflower-My 2nd Home (MM2H) Sdn Bhd +	**100**	100	Malaysia	Dormant
TC Machinery Vietnam Pte Ltd (formerly known as Mayflower Vietnam Pte Ltd) *	**100**	100	Vietnam	Manufacturing, assembly, distribution, maintaining and repairing of generator sets
Mayflower Holidays Sdn Bhd	**100**	100	Malaysia	Dormant
Warisan Automotif Holdings Sdn Bhd	**100**	100	Malaysia	Dormant
ATM (Labuan) Pte Ltd	**100**	100	Labuan Malaysia	Dormant
Mayflower Corporate Travel Services Sdn Bhd (formerly known as Mayflower American Express Travel Services Sdn Bhd) **	**100**	-	Malaysia	Operation of inbound tours and provision of air-ticketing services
Kereta Komersil Seladang (M) Sdn Bhd	**70**	-	Malaysia	Manufacturing, assembling and distribution of commercial vehicles
MAT (Labuan) Pte Ltd	**100**	-	Labuan Malaysia	Investment holding

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

* *Not audited by Mazars*

** *This was a jointly controlled entity in 2009*

Acquisition of subsidiaries

(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 total 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.

4. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Acquisition of subsidiaries (continued)

(ii) On 16 November 2010, the Company's wholly-owned subsidiary company, Belize Holdings Sdn Bhd ("Belize") has entered into a Share Sale and Purchase Agreement with American Express Travel Holdings (M) Company Sdn Bhd ("AET") for the acquisition of the remaining 30% equity interest in Mayflower Corporate Travel Services Sdn Bhd (formerly known as Mayflower American Express Travel Services Sdn Bhd) ("MCTS") for a total cash consideration of RM13,000,000. As a result of this acquisition, MCTS, previously a jointly controlled entity, became a wholly-owned subsidiary of Belize and an indirect wholly-owned subsidiary of the Company.

On the date of acquisition, the carrying value of the additional interest acquired was RM4,569,000. The difference between the consideration paid and the book value of the interest acquired of RM 8,431,000 is reflected as goodwill on consolidation.

5. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Company	
	2010 RM'000	2009 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 2010 %	2009 %	Principal activities
Mayflower Corporate Travel Services Sdn Bhd (formerly known as Mayflower American Express Travel Services Sdn Bhd) *	**-**	70	Operation of inbound tours and provision of air-ticketing services
Wacoal Malaysia Sdn Bhd	**50**	50	Distribution and sale of ladies undergarments
Shiseido Malaysia Sdn Bhd **	**50**	50	Distribution and sale of cosmetics and consumer products

* *Became a wholly-owned subsidiary during the year*

** *Not audited by Mazars*

6. INTANGIBLE ASSETS

	Goodwill RM'000	Group Licence RM'000	Total RM'000
Cost			
At 1 January 2009	6,550	-	6,550
Write-off	(606)	-	(606)
At 31 December 2009	5,944	-	5,944
Addition	8,431	700	9,131
At 31 December 2010	**14,375**	**700**	**15,075**
Accumulated amortisation			
At 1 January 2009/31 December 2009/31 December 2010	-	-	-
Net carrying amount			
At 31 December 2009	5,944	-	5,944
At 31 December 2010	**14,375**	**700**	**15,075**

Impairment testing of goodwill

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

	2010 RM'000	2009 RM'000
Inbound tours and air-ticketing services	**8,431**	-
Cosmetics and consumer products	**4,183**	4,183
Ladies under-garments	**1,761**	1,761
	14,375	5,944

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	6.0% - 61.0%
Growth rate	6.0% - 11.0%
Discount rate	3.6% - 6.0%
Risk free rate	3.5% - 3.7%

6. INTANGIBLE ASSETS (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.

7. DEFERRED TAX ASSETS

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
At beginning of the year	**765**	551	**112**	112
Origination/(Reversal) for the year (net)	**(294)**	214	**-**	-
At 31 December	**471**	765	**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.

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
The deferred tax assets arose from:				
Deductible temporary differences on				
- unabsorbed capital allowances	**1,849**	(116)	**-**	-
- other temporary differences	**1,899**	1,479	**163**	163
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	**(3,277)**	(598)	**(51)**	(51)
	471	765	**112**	112

7. DEFERRED TAX ASSETS (continued)

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

	Group 2010 RM'000	Group 2009 RM'000
(Taxable)/Deductible temporary differences		
- between net carrying amount and tax written down value of property, plant and equipment	**(147)**	(125)
- unused tax losses	**1,855**	1,622
- unabsorbed capital allowances	**623**	665
- other temporary differences	**158**	102
	2,489	2,264

8. FINANCE LEASE RECEIVABLES

	Group 2010 RM'000	Group 2009 RM'000
Finance lease instalments receivable		
- later than one year	**12,750**	8,488
- later than one year but not later than five years	**8,948**	7,476
	21,698	15,964
Unexpired term charges	**(1,719)**	(1,335)
Outstanding principal	**19,979**	14,629
Outstanding principal receivable not later than one year *(see note 11)*	**(11,683)**	(7,706)
Outstanding principal receivable later than one year but not later than five years	**8,296**	6,923

The interest rate of the finance leases is 5% - 6% (2009 : 5% - 6%) per annum depending on the amount financed and the tenure of the lease.

9. OTHER INVESTMENTS

	Group 2010 RM'000	Group 2009 RM'000
Classified as available-for-sale financial assets		
Unquoted shares, at cost	**35**	35

10. INVENTORIES

Group	2010 At cost RM'000	2010 At net realisable value RM'000	2010 Total RM'000	2009 At cost RM'000	2009 At net realisable value RM'000	2009 Total RM'000
Raw materials	**2,387**	**772**	**3,159**	2,824	424	3,248
Work-in-progress	**179**	**-**	**179**	230	-	230
Equipment & machinery	**46,491**	**5,481**	**51,972**	37,202	3,705	40,907
Trading inventories	**11,186**	**918**	**12,104**	10,522	869	11,391
Spare parts and workshop inventories	**11,779**	**1,824**	**13,603**	8,323	1,462	9,785
	72,022	**8,995**	**81,017**	59,101	6,460	65,561

11. TRADE AND OTHER RECEIVABLES

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Gross trade receivables	**72,867**	52,516	**-**	-
Allowance for doubtful debts	**(2,898)**	(3,586)	**-**	-
	69,969	48,930	**-**	-
Finance lease receivables *(see note 8)*	**11,683**	7,706	**-**	-
Other receivables	**2,113**	2,033	**9**	7
Sundry deposits	**1,665**	1,526	**65**	135
Prepayments	**11,710**	5,620	**674**	693
Subsidiary companies	**-**	-	**13,851**	31,884
Jointly controlled entities	**643**	557	**-**	50
Related party	**2,007**	3,093	**5**	-
	99,790	69,465	**14,604**	32,769

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.

11. TRADE AND OTHER RECEIVABLES (continued)

The amount owing by jointly controlled entities comprises:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	**643**	531	**-**	-
Non trade receivables	**-**	26	**-**	50
	643	557	**-**	50

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.

12. FIXED DEPOSITS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Fixed deposits				
- with licensed banks	**50,463**	36,391	**12,176**	7,932
- with other licensed financial institutions	**5,838**	7,684	**5,838**	7,684
	56,301	44,075	**18,014**	15,616

The effective interest rates range from 0.27% to 2.85%. All deposits had maturity periods of less than one year.

13. SHARE CAPITAL

	2010 RM'000	2009 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

14. TREASURY SHARES

	Number of shares		At cost	
	2010	2009	2010	2009
	'000	'000	RM'000	RM'000
At 1 January	**1,881**	1,290	**3,679**	2,394
Additions	**111**	591	**254**	1,285
Disposals	**-**	-	**-**	-
At 31 December	**1,992**	1,881	**3,933**	3,679

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

15. HEDGING RESERVE

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

16. BANK TERM LOANS (unsecured)

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Repayments due within the next 12 months *(see note 20)*	**16,866**	9,262	**-**	-
Repayments due after 12 months	**58,344**	14,821	**20,000**	-
	75,210	24,083	**20,000**	-

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

The long term loans bear interest as follows:

	2010	2009
	RM'000	RM'000
At 3.88% per annum	**8,610**	-
At 4.39% per annum	**1,382**	4,718
At 4.75% per annum	**11,481**	15,926
At 4.93% per annum	**14,727**	-
At 4.98% per annum	**20,000**	-
At 5.10% per annum	**5,510**	3,439
At 5.14% per annum	**13,500**	-
	75,210	24,083

17. 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 January	**2,043**	1,988	**441**	620
Charged to income statement	**333**	341	**26**	45
Retirement benefits paid	**(96)**	(286)	**-**	(224)
Adjustment/Transfer	**23**	-	**-**	-
At 31 December	**2,303**	2,043	**467**	441

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Present value of unfunded obligations	**2,303**	2,043	**467**	441

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current service cost	**202**	207	**14**	21
Interest cost	**104**	111	**5**	24
Past service cost	**6**	-	**6**	-
Actuarial loss	**21**	23	**1**	-
Total included in employee costs	**333**	341	**26**	45

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

	2010	2009
Discount rate	**5.3%**	5.3%
Expected rate of salary increases	**6.0%**	6.0%
Price inflation	**3.5%**	3.5%

18. DEFERRED TAX LIABILITIES

	Group	
	2010	2009
	RM'000	RM'000
At 1 January	**10,016**	6,973
Origination/(Reversal) for the year (net)	**3,855**	3,043
At 31 December	**13,871**	10,016

The deferred tax liabilities arose from:

	Group	
Taxable temporary differences		
- relating to revaluation of properties	**231**	236
- between net carrying amount and tax written down value of property, plant and equipment	**14,759**	10,790
Deductible temporary differences on		
- unabsorbed capital allowances	**(684)**	(572)
- other temporary differences	**(435)**	(438)
	13,871	10,016

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Trade payables	**48,246**	42,438	**-**	-
Other payables	**13,414**	8,291	**36**	25
Deposits received	**13,659**	9,578	**-**	175
Accruals	**12,062**	9,984	**786**	506
Subsidiary companies	**-**	-	**14,178**	11,851
Related parties	**433**	51	**398**	42
	87,814	70,342	**15,398**	12,599

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 RM12,393,506 (2009: RM10,103,452) 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 2.85% (2009: 1.6% to 3.3%) 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.

20. BANK BORROWINGS (unsecured)

	Group	
	2010	**2009**
	RM'000	**RM'000**
Current portion of long term loans *(see note 16)*	**16,866**	9,262
Bankers acceptances	**29,199**	10,747
Revolving credits	**34,500**	19,500
	80,565	39,509

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

The bankers' acceptances bear effective interest rates ranging between 3.10% to 3.16% (2009: 1.94% to 2.45%).

Revolving credits bear effective interest rate at 3.44% to 4.00% (2009: 2.57% to 4.04%) per annum.

21. REVENUE

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		
Gross dividends from subsidiary companies	**-**	-	**8,867**	4,666
Gross dividends from jointly controlled entities	**-**	-	**1,219**	1,284
Sales of goods	**172,180**	149,852	**-**	-
Sale proceeds from disposal of assets held for rental	**9,391**	11,128	**-**	-
Services rendered including car hire income	**178,890**	145,803	**887**	872
Finance lease income	**1,210**	949	**-**	-
Operating lease income	**2,160**	-	**-**	-
	363,831	307,732	**10,973**	6,822

22. PROFIT FROM OPERATIONS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit from operations is stated after charging:				
Allowance for doubtful debts	**844**	616	**-**	-
Auditors' remuneration				
- statutory audit				
- current year	**168**	150	**25**	21
- underprovision in prior year	**(2)**	5	**-**	-
- other auditors' remuneration	**2**	4	**-**	-
Bad debts written off	**28**	57	**-**	-
Depreciation of property, plant and equipment	**31,997**	29,091	**139**	132
Directors' remuneration				
- fees	**131**	119	**131**	119
- other emoluments	**2,343**	2,209	**538**	1,024
Goodwill written off	**-**	606	**-**	-
Impairment loss on property, plant and equipment	**63**	-	**-**	-
Inventories written off/down	**2,061**	1,403	**-**	-
Loss on disposal of property, plant and equipment	**12**	157	**9**	-
Property, plant and equipment written off	**185**	198	**1**	-
Rental expense				
- land and buildings	**2,103**	2,255	**30**	13
- car	**-**	-	**48**	48
- equipment	**248**	193	**-**	-
Retirement benefit obligations	**333**	341	**26**	45
Unrealised loss on foreign exchange, net	**226**	-	**-**	-
and crediting:				
Allowance for doubtful debts written back	**1,325**	686	**-**	-
Bad debts recovered	**25**	-	**-**	-
Gain on disposal of property, plant and equipment	**161**	269	**-**	26
Gain on disposal of assets held for rental	**2,538**	7	**-**	-
Gain on foreign exchange, net				
- realised	**1,446**	1,094	**-**	-
- unrealised	**76**	308	**-**	-
Gain on fair value adjustment on investment properties	**-**	-	**1,200**	1,200
Interest income from				
- fixed deposits	**1,258**	761	**528**	323
- subsidiary	**-**	-	**61**	10
Impairment in value of investment in subsidiary companies written back	**-**	-	**769**	1,563
Impairment loss on property, plant and equipment written back	**-**	80	**-**	-
Rental income from				
- investment properties	**-**	-	**117**	13
- land and buildings	**39**	21	**-**	-
- equipment	**8,893**	8,006	**-**	-
- car	**-**	-	**10**	7

22. PROFIT FROM OPERATIONS (continued)

Directors' remuneration of the Group and the Company does not include the estimated monetary value of benefits-in-kind amounted to RM50,154 and RM15,065 (2009 : RM210,000 and RM20,032) respectively.

23. FINANCE COSTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest paid and payable on:				
Term loans	**2,148**	1,052	**483**	-
Bankers' acceptances	**713**	264	**-**	-
Revolving credits	**804**	613	**-**	-
Others	**81**	217	**290**	221
	3,746	2,146	**773**	221

24. TAX EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysian taxation based on results for the year				
- current	**3,348**	2,823	**961**	372
- deferred	**3,424**	1,487	**-**	26
	6,772	4,310	**961**	398
Under/(Over) provision in prior years				
- current	**(538)**	(428)	**(2)**	-
- deferred	**725**	1,342	**-**	(27)
	6,959	5,224	**959**	371

Domestic tax rate is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

24. TAX EXPENSE (continued)

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Accounting profit	**20,039**	11,967	**8,732**	5,631
Tax at applicable tax rates	**5,010**	2,992	**2,183**	1,408
Tax effect of expenses not deductible in determining taxable profit	**3,734**	3,266	**320**	181
Tax effect of income not taxable in determining taxable profit	**(2,096)**	(2,017)	**(1,542)**	(1,191)
Crystalisation of deferred tax liabilities on amortisation of revalued properties	**(4)**	(4)	**-**	-
Change in unrecognised temporary differences	**238**	116	**-**	-
Tax effect of different tax rates of subsidiaries	**(110)**	(43)	**-**	-
Under/(Over) provision in prior years	**187**	914	**(2)**	(27)
Tax expense for the year	**6,959**	5,224	**959**	371

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.

25. 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 RM13,236,000 (2009: RM6,743,000) by the weighted average number of shares in issue of 65,230,800 (2009: 65,737,900). The weighted average number of shares in issue is calculated as follows:

	2010	2009
Number of ordinary shares at 1 January	**67,200,000**	67,200,000
Effect of treasury shares held	**(1,969,200)**	(1,462,100)
Weighted average number of ordinary shares at 31 December	**65,230,800**	65,737,900

26. DIVIDENDS

	2010 RM'000	2009 RM'000
In respect of the financial year ended 31 December 2008:		
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
Final dividend of 6% less 25% income tax	**2,935**	-
In respect of the financial year ended 31 December 2010:		
Interim dividend of 6% less 25% income tax	**2,935**	-
	5,870	4,936

Subsequent to 31 December 2010, the Directors proposed a final dividend of 6% less 25% income tax in respect of the financial year ended 31 December 2010.

27. INCORPORATION OF A SUBSIDIARY

On 2 December 2010, the Company incorporated a new wholly-owned subsidiary, MAT (Labuan) Pte Ltd ("MAT 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 MAT Labuan is USD1.

28. EMPLOYEE INFORMATION

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Employee costs	**61,327**	47,979	**2,228**	2,448
Included in the employee costs are:				
EPF contributions	**5,633**	4,512	**188**	216
Defined benefit plan provisions	**333**	341	**20**	45

29. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(a) ***Transactions with subsidiary companies***				
Interest received and receivable	**-**	-	**61**	10
Management fee received and receivable	**-**	-	**887**	872
Rental received and receivable	**-**	-	**117**	13
Interest paid and payable	**-**	-	**290**	221

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sales	**2,597**	4,381	**-**	-
Travel agency, car rental and workshop services	**3,883**	2,594	**-**	-
Rental income	**300**	172	**-**	-
Purchase of trucks	**3,351**	2,942	**-**	-
Purchase of spare parts	**959**	254	**-**	-
Workshop services	**1,341**	1,021	**8**	9
Rental expense	**29**	19	**15**	13
Purchase of property, plant and equipment	**15,975**	6,997	**261**	133
Insurance agency services	**1,620**	1,686	**59**	44
Administrative services	**305**	149	**19**	66

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

30. COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL

Compensation paid to key management personnel during the year comprises:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short term employee benefits (salaries, allowances, bonuses and benefits-in-kind)	**4,096**	3,475	**1,041**	1,280
Post-employment benefits				
- EPF	**413**	272	**74**	89
- Defined benefit plan provisions	**5**	225	**-**	220
	4,514	3,972	**1,115**	1,589
Directors	**2,524**	2,538	**684**	1,163
Other key management personnel	**1,990**	1,434	**431**	426
	4,514	3,972	**1,115**	1,589

31. COMMITMENTS

	Group	
	2010 RM'000	2009 RM'000
Capital commitments		
Contracted capital expenditure not provided for in the financial statements	**40,191**	16,693

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:

	2010 RM'000	2009 RM'000
Not later than one year	**22,483**	12,261
Later than one year but not later than five years	**18,378**	8,877
	40,861	21,138

31. 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:

	2010 RM'000	2009 RM'000
Not later than one year	**1,459**	925
Later than one year but not later than five years	**811**	700
	2,270	1,625

32. 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. Nevertheless, the appellants had withdrawn their leave application in the Federal Court with no order as to costs on 31 May 2010. Thus the decision of High Court remains and the above claim by former Directors has been successfully struck off.

33. FINANCIAL INSTRUMENTS

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

(a) Classification of financial instruments as at 31 December 2010

The table below provides an analysis of financial instruments categorised as follows:

(i) Loans and receivables (L&R);
(ii) Available-for-sale financial assets (AFS);
(iii) Other liabilities (OL)

33. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments as at 31 December 2010 (continued)

	Carrying amount RM'000	L&R RM'000	AFS RM'000
Financial assets:			
Assets as per statement of financial position			
Group			
Other investments	35	-	35
Finance lease receivables	8,296	8,296	-
Trade and other receivables, excluding prepayments	88,080	88,080	-
Cash and cash equivalents	86,988	86,988	-
Derivative financial assets	100	100	-
	183,499	183,464	35
Company			
Trade and other receivables, excluding prepayments	13,930	13,930	-
Cash and cash equivalents	20,448	20,448	-
	34,378	34,378	-

	Carrying amount RM'000	OL RM'000
Financial liabilities:		
Liabilities as per statement of financial position		
Group		
Loans and borrowings	138,909	138,909
Trade and other payables	87,814	87,814
Derivative financial liabilities	100	100
	226,823	226,823
Company		
Loans and borrowings	20,000	20,000
Trade and other payables	15,398	15,398
	35,398	35,398

33. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments

The carrying amounts of each cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets:				
Finance lease receivables	8,296	8,032	-	-
Financial liabilities:				
Bank loans	58,344	52,313	20,000	18,162

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to the following risks from its use of financial instruments:

(a) Credit risk
(b) Liquidity risk
(c) Interest rate risk
(d) Foreign currency risk

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, loans and advances to subsidiaries. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counter parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly. Loans and advances are only provided to subsidiaries which are wholly owned by the Company.

At reporting 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.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Aging analysis of trade receivables

The aging analysis of the Group's trade receivables is as follows:

Group	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
2010				
Not past due	41,932	-	(69)	41,863
Past due 0-30 days	18,961	-	(16)	18,945
Past due 31-120 days	17,763	(492)	(12)	17,259
Past due more than 120 days	5,894	(1,262)	(1,047)	3,585
	84,550	(1,754)	(1,144)	81,652

The movements in the allowance for impairment losses of trade receivables during the year were:

Group	2010 RM'000
At 1 January	**3,586**
Impairment loss recognised	**844**
Impairment loss reversed	**(1,325)**
Impairment loss written off	**(207)**
At 31 December	**2,898**

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that is will have sufficient liquidity to meet its liabilities when they fall due.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2010			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	88,114	-	-	88,114
Loans and borrowings	84,693	63,163	-	147,850
Total	172,807	63,163	-	235,970
Company				
Financial liabilities:				
Trade and other payables	15,398	-	-	15,398
Loans and borrowings	996	21,747	-	22,743
Total	16,394	21,747	-	38,141

(c) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk. The Group's policy is to manage interest cost using a mix of fixed and floating debts.

The Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2010 RM'000
Fixed rate instruments	
Financial assets	**76,280**
Financial liabilities	**58,219**
	134,499
Floating rate instruments	
Financial liabilities	**80,690**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A sensitivity analysis has been performed on the variable rate borrowings of the Group as at 31 December 2010. A change of 50 basis points in interest rate at the end of the reporting period would have increased (decreased) post-tax profit or loss by RM178,332, with all other variables remain constant.

(d) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Renminbi (RMB), Japanese Yen (JPY), Euro, Singapore Dollar (SGD) and Brunei Dollar (BND).

The Group hedges at least 50 percent of its foreign currency denominated trade receivables and trade payables. At any point in time the Group also hedges 50 percent of its estimated foreign currency exposure in respect of forecast sales and purchases over the following six months. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

Group	**2010 Denominated in**				
	USD	**SGD**	**RMB**	**Euro**	**JPY**
In thousands RM					
Trade receivables	1,380	2	374	-	-
Trade payables	(3,496)	(8)	-	(329)	(10,184)
Net exposure	(2,116)	(6)	374	(329)	(10,184)

Group	**2009 Denominated in**					
	USD	**SGD**	**RMB**	**BND**	**Euro**	**JPY**
In thousands RM						
Trade receivables	581	59	529	24	-	-
Trade payables	(5,667)	-	-	-	(188)	(5,138)
Net exposure	(5,086)	59	529	24	(188)	(5,138)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

A sensitivity analysis has been performed on the outstanding foreign currency receivables and payables of the Group as at 31 December 2010.

A 10 percent strengthening of the above mentioned foreign currencies against Ringgit Malaysia (RM) at the end of the reporting period would have decreased post-tax profit or loss by RM291,002, with all other variables remain constant.

A 10 percent weakening of the above mentioned foreign currencies against Ringgit Malaysia (RM) at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, with all other variables remain constant.

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns.

During 2010, the Group's strategy, which was unchanged from 2009, was to maintain the gearing ratio at the lower end range within 0.2: 1 to 0.5: 1. The gearing ratios at 31 December 2010 is as follows:

	2010 RM'000
Loans and borrowings (notes 16 and 20)	138,909
Less : Cash and cash equivalents	(86,988)
Net debt	51,921
Total equity	233,821
Gearing ratio	22%

36. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Consumer products		Other operations		Total	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000 Restated
Segment profit/(loss)	**15,807**	12,846	**37,595**	29,053	**4,788**	3,794	**(719)**	(156)	**57,471**	45,537
Included in the measure of segment profit/(loss) are:										
Revenue from external customers	**133,707**	114,807	**167,725**	138,145	**61,007**	54,090	**1,392**	690	**363,831**	307,732
Inter-segment revenue	**-**	-	**1,159**	529	**-**	-	**-**	-	**1,159**	529
Write-down of inventories	**(395)**	(407)	**-**	-	**(1,666)**	(995)	**-**	(1)	**(2,061)**	(1,403)
Impairment of property, plant and equipment	**(63)**	-	**-**	-	**-**	-	**-**	-	**(63)**	-
Reversal of impairment of property, plant and equipment	**-**	-	**-**	-	**-**	80	**-**	-	**-**	80
Not included in the measure of segment profit but provided to Chief Executive Officer:										
Depreciation and amortization	**(6,246)**	(5,110)	**(23,177)**	(21,514)	**(2,081)**	(2,100)	**(139)**	(20)	**(31,643)**	(28,744)
Finance costs	**(1,246)**	(647)	**(2,017)**	(1,499)	**-**	-	**-**	-	**(3,263)**	(2,146)
Finance income	**169**	88	**288**	139	**272**	185	**12**	26	**741**	438
Income tax expense	**(1,863)**	(1,139)	**(4,964)**	(3,653)	**(628)**	(1,042)	**(16)**	(6)	**(7,471)**	(5,840)
Segment assets	**176,330**	126,138	**190,189**	147,388	**59,436**	55,928	**15,974**	5,034	**441,929**	334,488
Included in the measure of segment assets are:										
Additions to non-current assets other than financial instruments and deferred tax assets	**30,890**	6,708	**50,789**	15,712	**1,952**	2,059	**2,002**	166	**85,633**	24,645

36. SEGMENTAL ANALYSIS (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items:

	2010 RM'000	2009 RM'000 Restated
Profit or loss		
Total profit or loss for reportable segments	**57,471**	45,537
Depreciation and amortization	**(31,997)**	(29,091)
Finance costs	**(3,746)**	(2,146)
Finance income	**1,258**	761
Non reportable segment expenses	**(2,947)**	(3,094)
Consolidated profit before tax	**20,039**	11,967

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2010						
Total reportable segments	363,831	(31,643)	(3,263)	741	441,929	85,633
Other non-reportable segments	-	(354)	(483)	517	36,340	462
Consolidated total	363,831	(31,997)	(3,746)	1,258	478,269	86,095
2009 (Restated)						
Total reportable segments	307,732	(28,744)	(2,146)	438	334,488	24,645
Other non-reportable segments	-	(347)	-	323	30,502	173
Consolidated total	307,732	(29,091)	(2,146)	761	364,990	24,818

37. COMPARATIVE FIGURES

Following the adoption of amendments to FRS 116, FRS 117, FRS 138 and IC Interpretation 13, certain comparative figures for 2009 have been represented as follows:

	Group	
	As restated	As previously stated
Statement of Financial Position	**RM'000**	**RM'000**
Property, plant and equipment	147,087	137,084
Prepaid lease payments	-	10,003
Inventories	65,561	67,564
Retained earnings	227,184	229,187
Statement of Comprehensive Income		
Revenue	307,732	301,754
Cost of sales	213,635	206,783
Gross profit	94,097	94,971
Other income	3,882	4,060
Selling and distribution expenses	47,053	47,857
Administrative and general expenses	36,813	36,984
Profit form operations	14,113	14,190
Profit before tax	11,967	12,044
Profit after tax	6,743	6,820

38. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 13 April 2011 by the Board of Directors.

39. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 December 2010, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	Group RM'000	Company RM'000
Total retained profits		
Realised	248,683	102,836
Unrealised	(12,387)	(55)
	236,296	102,781
Total share of retained profits from jointly controlled entiries		
Realised	6,639	-
Unrealised	718	-
	7,357	-
Less : Consolidation adjustments	(31,438)	-
Total retained profits as per statement of financial position	212,215	102,781

The determination of realised and unrealised profits or losses is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Main Market Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Securities.

Accordingly, the unrealised retained profits of the Group and the Company as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these gains or losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be used for any other purposes.

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 46 to 109 are, except for pages 49 to 51 which are expressed in USD equivalent, drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2010 and of their results and cash flows for the year ended on that date.

The information set out in Note 39 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Directors in accordance with a Directors' resolution dated 13 April 2011.

TING LIENG YU
Director
Kuala Lumpur
13 April 2011

NGU EW LOOK
Director

Statutory Declaration

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

I, Chua Tian Pang, 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 46 to 109 are, except for pages 49 to 51 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 13 April 2011)
)
)
)
) **Chua Tian Pang**
)

Before me:
Affandi Bin Ahmad
W602
Commissioner for Oaths
(Pesuruhjaya Sumpah)

Kuala Lumpur
13 April 2011

NOTICE IS HEREBY GIVEN THAT the Fourteenth 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, 26 May 2011 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 2010 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 2010. **Ordinary Resolution 2**

3. To re-elect Dato' Chong Kwong Chin, a Director who is eligible and has offered himself for re-election, in accordance with Article 96 of the Company's Articles of Association. **Ordinary Resolution 3**

4. To consider and, if thought fit, to pass the following resolution:

   "THAT Mr Seow Thiam Fatt, having attained the age of seventy years, be and is hereby appointed as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the next annual general meeting of the Company." **Ordinary Resolution 4**

5. To re-appoint Messrs Mazars as Auditors of the Company 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:

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

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

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

   "THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company, the 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.

   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**

8. **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 29 April 2011 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 8**

9. **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 29 April 2011 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**

10. **PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

"THAT the Articles of Association of the Company be amended by substituting the following new Article for Article 127:

<u>Article 127 – Dividend, interest or other money payable</u>

Unless otherwise directed, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled as it appears in the register and/or the Record of Depositors or paid by way of electronic transfer or other methods of remittance to the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information. Every such cheque or warrant or electronic transfer or other methods of remittance shall be made payable to such member or person entitled and shall be sent, transferred, paid or remitted at the risk of such member or person entitled. Payment of the cheque or warrant by the bank on which it is drawn or payment into the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information shall constitute a good discharge to the Company." ***Special Resolution***

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Fourteenth Annual General Meeting of Warisan TC Holdings Berhad, a final dividend of 6% less income tax for the financial year ended 31 December 2010 will be paid on 23 June 2011. The entitlement date shall be 2 June 2011.

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 2 June 2011 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
29 April 2011

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.

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 of the Company had obtained the general mandate at the Company's 13th Annual General Meeting held on 20 May 2010 to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued and paid-up share capital (excluding treasury shares) 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 13th Annual General Meeting which will lapse at the conclusion of the 14th Annual General Meeting to be held on 26 May 2011.

A renewal of the mandate is being sought at the 14th 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 29 April 2011 despatched together with the Company's 2010 Annual Report.

3. **Proposed 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 29 April 2011, despatched together with the Company's 2010 Annual Report.

4. **Proposed Amendment to the Articles of Association of the Company**

The proposed amendment of Article 127 of the Articles of Association of the Company ("the Articles") is to ensure that the Articles are consistent with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad pertaining to electronic dividend payment or eDividend to shareholders who have provided the relevant bank account particulars to Bursa Malaysia Depository Sdn Bhd and to clarify the responsibility of the Company and of each shareholder in regard to payment and remittances of dividend, interest or other money payable in cash in respect of shares in the Company.

The full text of the proposed new Article 127 of the Articles, marked to show changes from the existing Article 127 is set out below:

"Article 127-Dividend, interest or other money payable ~~by post~~

Unless otherwise directed, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled as it appears in the register and/or the Record of Depositors~~.~~ or paid by way of electronic transfer or other methods of remittance to the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information. Every such cheque or warrant or electronic transfer or other methods of remittance shall be made payable to ~~the order of the~~ such member or person entitled ~~to whom it is sent~~.and shall be sent, transferred, paid or remitted at the risk of such member or person entitled. Payment of the cheque or warrant by the bank on which it is drawn or payment into the bank account or other account based on the account information provided by such member or the person entitled or provided in the Record of Depositors or any other record provided by the Central Depository containing such information shall constitute a good discharge to the Company."

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WARISAN TC HOLDINGS BERHAD (424834-W)

(Incorporated in Malaysia)

Form Of Proxy

CDS account no. of authorised nominee

I/We ______________________________ *(name of shareholder, 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 as per NRIC, in capital letters)*

NRIC No. ______________________ (new) ______________________ (old) or failing him/her

______________________________ *(name of proxy as per NRIC, in capital letters)*

NRIC No. ______________________ (new) ______________________ (old) or failing him/her,

the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Fourteenth 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, 26 May 2011 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 Dato' Chong Kwong Chin as Director		
Ordinary Resolution 4	Appointment of Mr Seow Thiam Fatt as Director in accordance with Section 129(6) of the Companies Act, 1965		
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 Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad Group		
Ordinary Resolution 9	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad Group		
Special Resolution	Proposed Amendment to the Articles of Association of the Company		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

____

Signature/Common Seal

Number of shares held: ______________________

Date: ______________________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No.of shares	Percentage
Proxy 1	______________	%
Proxy 2	______________	%
Total		100%

Notes:

1. 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.

Fold here

Affix
Stamp
here

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

Fold here