WARISAN TC HOLDINGS BERHAD

(424834-W)

ANNUAL REPORT 2011

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Dato' Tan Heng Chew *JP, DJMK*
Executive Chairman

Ngu Ew Look
Executive Director

Tan Keng Meng
Executive Director

Seow Thiam Fatt
Independent Non-Executive Director

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

Dato' Chong Kwong Chin *JP, DIMP*
Independent Non-Executive Director

AUDIT COMMITTEE

Seow Thiam Fatt *(Chairman)*
Dato' Chong Kwong Chin *JP, DIMP*
Datuk Abdullah bin Abdul Wahab *KMN, DPSJ, PJN*

COMPANY SECRETARIES

Ang Lay Bee
Chang Pie Hoon

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
Email : corporate@wtch.com.my

REGISTRARS

Tricor Investor 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
Email : is.enquiry@my.tricoglobal.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 on 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

AUTOMOTIVE

- Light commercial truck

CONSUMER PRODUCTS

- Cosmetics
- Hair care
- Lingerie
- Healthcare
- 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

MACHINERY DIVISION

100%	TCIM Sdn Bhd
100%	Jentrakel Sdn Bhd

AUTOMOTIVE DIVISION

100%	Angka-Tan Motor Sdn Bhd
70%	Kereta Komersil Seladang (M) 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 2011.

Financial Highlights

The Group recorded an increase in revenue by 29% at RM470.4 million compared with RM363.8 million of the previous financial year. Profit before tax grew by 13% to RM22.6 million from RM20 million of the previous financial year. Shareholders' fund continued to be strengthened at RM253.9 million (2010 : RM233.8 million) and accordingly, net assets per share rose from RM3.59 to RM3.90. Earnings per share was 21.02 sen (2010 : 20.29 sen).

Dividends

In respect of the financial year ended 31 December 2011, an interim dividend of 6% (2010 : 6%) less tax per share amounting to RM2.933 million (2010 : RM2.935 million) was paid on 29 September 2011.

In appreciation of our shareholders' loyalty and support, the Board of Directors proposed the payment of a final dividend of 6% (2010 : 6%) less tax per share for the financial year ended 31 December 2011, subject to the approval of shareholders at the forthcoming Annual General Meeting. Together with the interim dividend already declared and paid, this represents a total dividend of 12% (2010 : 12%) gross per share.

Review of Business Operations

For the financial year ended 31 December 2011, the Group has four (4) core businesses, namely Travel & Car Rental, Industrial Machinery and Equipment, Automotive and Consumer Products.

Travel & Car Rental

It was quite a challenging year for the division with Japan Tsunami and weakening of the economy of the United States ("US") and European Union.

Nonetheless, Mayflower Acme Tours Sdn Bhd ("Mayflower"), a wholly-owned subsidiary, continued to maintain its position as the leading inbound tour operator in the country, focusing on providing good customer service and maintaining world class travel infrastructure. Mayflower continued to adopt innovative marketing and promotional programs, and with Mayflower's extensive sales network globally serving more than 57 countries and supported by more than 500 foreign partners, the number of tourists arrival via Mayflower continued to increase. In line with the effort of the Ministry of Tourism, Malaysia is aggressively promoted by Mayflower as the world's preferred destinations for holidays and experiences. Mayflower has also leveraged on the Government Economic Transformation Plan (ETP) to increase tourists' influx from China, Middle East, India, Russia & Commonwealth of Independant States (CIS) countries.

On outbound retail business, Mayflower expanded its network with six (6) wholly-owned outlets and four (4) franchise outlets. A new kiosk retail outlet was introduced at Tokyo Street in Pavilion to provide further convenience to customers for travel related needs and merchandises. As to

The Malaysia Tourism Awards 2010-2011- The Best Tour Operator-Inbound

the outbound wholesale business, Mayflower has 550 agents and has also introduced many inventive programs including Mayflower Million Ringgit Club and Top Sales Achiever Awards. It further expanded the online business with the upgrading of B2B website for B2B agents.

On the car rental business , Mayflower Car Rental ("MCR") has reached the fleet size of approximately 2,400 units. This was a significant achievement and it has given the status to MCR as the largest car rental company in Malaysia.

During the financial year, Mayflower was recognised and awarded "The Malaysia Tourism Award 2010-2011-The Best Tour Operator-Inbound". This marked another significant achievement by Mayflower, demonstrating the most outstanding record in promoting Malaysia. Mayflower was also awarded "The Brandlureate Awards for 2010-2011 for Corporate Branding – Best Brands in Services – Travel and Tours".

The corporate ticketing business continued to chart strong performance with an encouraging double-digit growth in terms of revenue and profit before tax. Mayflower Corporate Travel Services Sdn Bhd, a wholly-owned subsidiary, continued to win awards from the premium airlines including Malaysia airlines and Singapore airlines.

Mayflower has extensive sales network globally serving more than 57 countries and supported by more than 500 foreign partners

The Brandlureate Awards for 2010-2011 for Corporate Branding-Best Brands in Sevices-Travel and Tours

Industrial Machinery & Equipment Division

The Division strives to provide the complete and effective solutions to all customers' needs

The overall construction industry for the financial year was fairly robust, driven by strong construction activities and domestic demand. As a result, the division registered a healthy growth in revenue and profitability, supported by strong contribution from the East Malaysian operation and increase in demand and unit sale from its range of products.

To further enhance the product ranges, four (4) new products were introduced to its existing stable and well-known brands during the financial year.

The Terex Backhoe Loader from the United Kingdom was launched to complement the existing equipment for construction, infrastructure and mining sectors.

The renowned Sullair range of rotary air compressor from the US was also introduced to the light industrial equipment segment during the third quarter of the financial year. In addition, TCIM Sdn Bhd ("TCIM"), a wholly-owned subsidiary, was appointed distributor for Broad Crown, a leading manufacturer of power generator and power generation system in the United Kingdom. This appointment is expected to enhance the Division's range of products for quality engines and alternators.

The partnership with John Deere continued to strengthen with the addition of the new John Deere skid steer loader, a versatile equipment used in agricultural and construction industries.

These new products are expected to contribute positively to the division's performance in the following year and future.

Following the launching of the SDLG wheel loader in the last financial year, TCIM was recently recognised by the principal, SDLG of China, for being the "Outstanding Dealership in 2011" based on sales growth achievement. TCIM was further accorded the "Best in Service of SDLG Overseas Market in recognition of excellent performance in 2011" for SDLG wheel loader.

The division continued to invest in network expansion to achieve a better coverage and improve its after sales service and support. A new branch in Tawau, Sabah was set up during the financial year.

Automotive Division

The light duty trucks, manufactured by Beiqi Foton Motor Co Ltd, is the top seller in China

The automotive industry remained resilient despite the weakening of the economy of the US and European Union and earthquake in Japan. Based on the Malaysian Automotive Association (MAA) statistics, 2011 saw a rise in total number of commercial vehicles registered compared with 2010. 65,010 commercial vehicles were registered in 2011 compared with 61,562 commerical vehicles registered in 2010, representing an increase of 6%.

The Automotive Division which started its first year business operation in June 2011 via its wholly-owned subsidiary, Angka-Tan Motor Sdn Bhd (“ATM”), launched its inaugural three models of BISON Light Duty Trucks with capacity (in terms of Gross Vehicle Weight) ranging from 4,800 kg to 8,300 kg.

The principal, Beiqi Foton Motor Co. Ltd. (“BFM”), is the largest commercial vehicles manufacturer in China manufacturing a wide range of commercial vehicles, including light duty trucks, heavy duty trucks and buses of many model types and variants. The Light Duty Trucks, manufactured by BFM, has been rebranded as BISON trucks in Malaysia and is expected to gradually establish its presence in the local market.

As to the development of distribution channel, ATM has established 3 key branches in Klang Valley, Johor Bahru and Butterworth, and at the same time appointed 20 Dealers nationwide during the financial year. ATM will continue to look out for opportunity to set up more own branches at strategic locations in the near future to further strengthen its distribution and service network throughout the country.

In further effort to promote and support the BISON brand and product, ATM has invested in after sales service and support, both in human capital and support facilities. It has also appointed and collaborated with a nationwide service provider which has strong after sales network, good coverage of service centres and 24-hour standby RES-Q teams for vehicles breakdown at any location across Peninsular Malaysia.

In addition to the Light Duty Trucks, ATM is expected to introduce more products in the following financial year, ie the Heavy Duty Trucks and Buses which are currently in the pipeline.

It has always been the philosophy of Shiseido brand to introduce new innovative products to sustain its market share

Consumer Products Division

The consumer spending remained robust on the back of fairly healthy retail activities and sentiment during the financial year.

Shiseido

2011 was an eventful year for the Shiseido business. It was 30th anniversary for Shiseido Revital while Za was rebranded in conjunction with its new skincare range. The second Cle de Peau Beaute store was opened in Parkson Pavilion which elegantly exhibits the features of this luxury beauty product. On the hair care segment, Shiseido Professional announced its collaboration with yet another concept salon, Peek-A-Boo, The Curve. This marked another expansion of Shiseido Professional range which is a major player in the industry.

It has always been the philosophy of the Shiseido brand to introduce new innovative products to sustain its market share. During the financial year, Shiseido Malaysia Sdn Bhd, a joint venture company, launched the new foundation, Perfect Refining Foundation for silky-smooth and flawless skin. Za also launched an entirely new skincare line, Za Total Hydration for women which is suitable for all Asian countries and with this, it represents a complete skincare line for the brand. On the other hand, Primience, the hair colour designed for Asians was introduced by Shiseido Professional to match their individual skin tone.

Wacoal

Wacoal Malaysia making further inroads into the Malaysian lingerie market by introducing more sophisticated merchandise, i.e. the shapepants and girdles

Wacoal

2011 saw Wacoal Malaysia Sdn Bhd ("WM"), a joint venture company, making further inroads into the Malaysian lingerie market as WM outperformed the market's leading lingerie brands in terms of sales growth. To meet the growing needs of customers for more sophisticated merchandise, during the financing year, WM introduced a range of shape pants and girdles covering both functional shape wear and fashionable shape wear to ensure that the Wacoal brand remains in the forefront of the lingerie market in Malaysia. It also further enhanced the Wacoal brand's commitment to Women's Beauty.

In line with the Wacoal brand's world-wide commitment to prevent Breast Cancer, WM held a public event, Wacoal's Pink Ribbon event, in One Utama Complex in October, to create awareness of Breast Cancer with local celebrities, Ms. Elaine Daly and Ms. Debbie Goh lending their support to this good cause. The public were also encouraged to participate in a catwalk to show their support for this campaign. Throughout the month of October , leaflets and posters were placed at all Wacoal counters throughout the country to create awareness of Breast Cancer and its Prevention.

The combination of strong branding, good merchandise and close working relationships with the business partners are crucial to enable WM to record its seven (7) consecutive years of growth.

Our first flagship Salon in Pavilion, Kuala Lumpur

Hair Grooming

Following the opening of the second salon in Lot 10 Shopping Centre in the last financial year, the hair grooming business moved a step further to launch its flagship salon in the most prestigious shopping mall, Pavilion Kuala Lumpur, during this financial year. Being awarded Shiseido Professional's Artistic Ambassadors Salon, Grooming Expert Sdn Bhd ("GroomEXP"), a subsidiary of the Company, is adopting Japan's most advanced styling technology to present the contemporary Asian beauty to the Malaysian market.

The concept of "omotenashi" which means hospitality with warm welcome and provision of services with utmost respect and courtesy was continued to be practiced to ensure that all customers would feel they are appreciated and valued by GroomEXP.

Multi-level-marketing

During the financial year, there was further consolidation of existing products and concurrently the Unify water filtration system was launched to capture certain market share. This filtration system with the latest technology produces high content of negative hydrogen, which is effective in antioxidants and promotes good general health.

Prospects

The overall travel sentiment in 2012 is expected to continue to be challenging amid the volatile and competitive environment. With the possible forecast of airfare price increase, the travel and car rental division will response pro-actively in developing more innovative packages, improving its customer service and containing costs to stay competitive.

The momentum of the construction industry is expected to continue in 2012 on the back of the progress of the Economic Transformation Plan (ETP) and timely implementation of mega industrial projects. The performance of the industrial machinery and equipment division will go in tandem with the level of construction and domestic activities in 2012. Nevertheless, fluctuations of Yen and USD currencies may have some impact on the division's operating profit margin.

The commercial vehicle segment is expected to see a bigger rise in sales in 2012, backed by rising commercial activities and healthy construction sector. The automotive division is expected to reap from this rising trend and at the same time, more products would be introduced to the market to widen the existing product range and consequently to strengthen the operating performance of the division.

The Malaysian Retail Group has projected a moderate retail sales growth of 6% in 2012. This is fairly consistent with 6.4% in 2011. This augurs well for the consumer products division. Continuous effort would be placed on brand building and promotional activities to increase market share. However, fluctuations of Yen and USD currencies may exert some pressure on the division's operating profit margin.

With the above, the Group remains positive of its overall performance for 2012 while striving to improve operational efficiency and productivity.

Acknowledgment

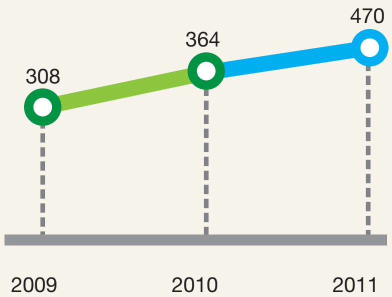
On behalf of the Board of Directors, I would like to take this opportunity to thank all our loyal shareholders, valued customers, business associates, financiers, management and staff for their continuous support to the Group throughout the year. I would also like to thank my fellow Board members for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

Lastly, I would like to welcome Mr Tan Keng Meng who joined the Board as Executive Director on 11 January 2012. I also wish to record a vote of appreciation and gratitude to Mr Ting Lieng Yu who has retired on 11 January 2012 for his invaluable contribution and support to the Group during his term of office.

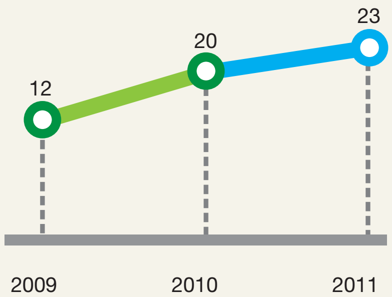
Dato' Tan Heng Chew *JP, DJMK*
Executive Chairman
Kuala Lumpur
3 April 2012

FINANCIAL CHARTS

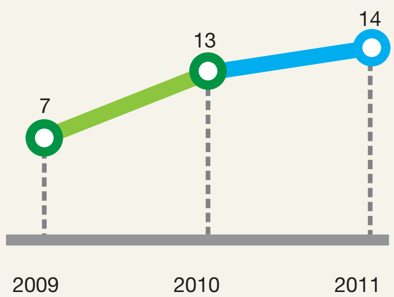
Revenue
(RM Million)



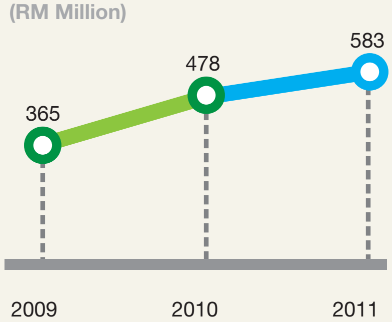
Profit Before Tax
(RM Million)



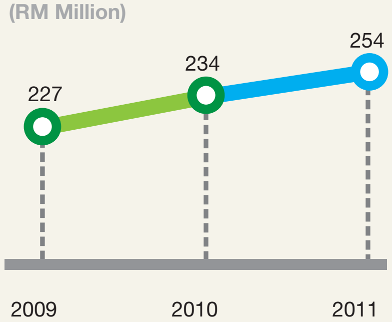
Profit After Tax
(RM Million)



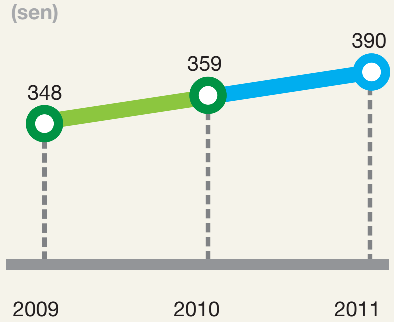
Total Assets
(RM Million)



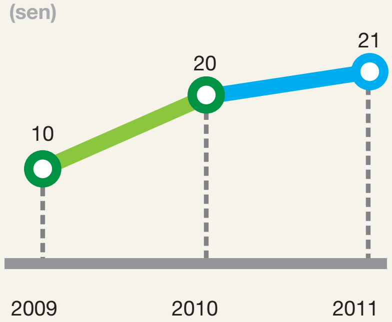
Shareholders' fund
(RM Million)



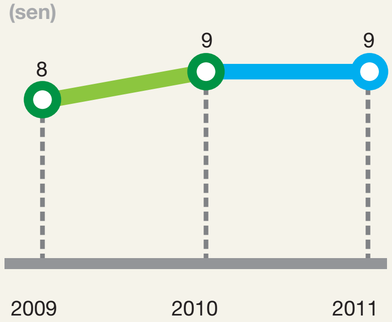
Net Assets Per Share
(sen)



Earnings Per Share
(sen)



Net Dividend Per share
(sen)



5 YEARS FINANCIAL HIGHLIGHTS

	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
RESULTS					
Revenue	470,423	363,816	307,732	368,173	258,103
Profit before tax	22,638	20,039	11,967	21,899	19,681
Taxation	(8,909)	(6,959)	(5,224)	(5,240)	(3,067)
Profit after tax	13,729	13,080	6,743	16,659	16,614
Attributable to :					
Shareholders of the Company	13,700	13,236	6,743	16,811	16,939
Non-controlling interests	29	(156)	-	(152)	(325)
FINANCIAL POSITION					
Assets					
Property, plant and equipment	209,259	182,942	147,087	165,374	106,834
Investment properties	22,700	-	-	-	-
Prepaid lease payments	-	-	-	-	10,413
Investment in jointly controlled entities	-	-	-	-	25,982
Other investments	35	35	35	35	10
Finance lease receivables	7,252	8,296	6,923	5,389	4,902
Deferred tax assets	893	471	765	551	472
Intangible assets	15,075	15,075	5,944	6,550	606
Total non-current assets	255,214	206,819	160,754	177,899	149,219
Current assets	327,457	271,450	204,236	206,248	152,007
Total Assets	582,671	478,269	364,990	384,147	301,226
Equity					
Share capital	67,200	67,200	67,200	67,200	67,200
Share premium	615	615	615	615	615
Reserves	190,110	169,939	163,048	161,292	144,434
Treasury shares	(4,051)	(3,933)	(3,679)	(2,394)	(1,745)
Total equity attributable to owners of the company	253,874	233,821	227,184	226,713	210,504
Non-controlling interests	413	384	-	-	152
Total equity	254,287	234,205	227,184	226,713	210,656
Non-current liabilities	105,927	74,518	26,880	29,235	9,886
Current liabilities	222,457	169,546	110,926	128,199	80,684
Total Equity and Liabilities	582,671	478,269	364,990	384,147	301,226
FINANCIAL STATISTICS					
Basic earnings per share (sen)	21.0	20.3	10.3	25.4	25.4
Dividend per share (net of tax) (sen)	9.0	9.0	7.5	7.4	6.6
Net assets per share (sen)	390	359	348	344	318
Return on invested capital (%)	20.4%	19.5%	10.0%	24.8%	24.7%
Return on total equity (%)	5.4%	5.6%	3.0%	7.3%	7.9%
Net debt/Equity (%)	45.1%	22.2%	-	6.0%	-
Dividend History					
Interim	6%	6%	5%	5%	4%
Final	6%	6%	6%	5%	5%
Total	12%	12%	11%	10%	9%

DATO' TAN HENG CHEW

JP, DJMK

Dato' Tan Heng Chew, aged 65, 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 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 2011.

MR NGU EW LOOK

Mr Ngu Ew Look, aged 58, 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 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 2011.

MR TAN KENG MENG

Mr Tan Keng Meng, aged 53, a Malaysian, is an Executive Director. He was appointed to the Board on 11 January 2012.

Mr Tan graduated from the University of Malaya with a Bachelor of Engineering degree in 1982.

He joined TCIM Sdn Bhd ("TCIM"), a wholly-owned subsidiary of Warisan TC Holdings Berhad on 15 April 2010 and was subsequently appointed as Executive Director of TCIM taking charge of industrial machinery business. He has held senior management positions for more than 18 years with extensive Malaysian and international experience. Prior to joining the Group, he was the Group CEO/Director of Tasek Corporation Berhad, a public company listed on Bursa Malaysia Securities Berhad. He was previously the Managing Director-Asia with Friction Material Pacific Group, a joint venture company between Honeywell and Pacifica of Australia.

Mr Tan has extensive experience in a number of industries covering construction, automotive, and automotive component manufacturing.

MR SEOW THIAM FATT

Mr Seow Thiam Fatt, also known as Larry Seow, aged 71, 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 (4) 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. He was also a past Independent Non-Executive Director of Affin Investment Bank Berhad for eight (8) years.

Mr Seow is also an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, ING Funds Berhad, ING Insurance Berhad and Malaysia Pacific Corporation Berhad. 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 2011.

DATUK ABDULLAH BIN ABDUL WAHAB

KMN, DPSJ, PJN

Datuk Abdullah bin Abdul Wahab, aged 61, 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 attended all the five (5) Board Meetings held in 2011.

DATO' CHONG KWONG CHIN

JP, DIMP

Dato' Chong Kwong Chin, aged 59, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 3 March 2008 and is a member of the Audit Committee.

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 attended all the five (5) Board Meetings held in 2011.

Except for Dato' Tan Heng Chew, none of the other Directors have any family relationship with any Director and/or major shareholder of the Company.

None of the Directors had convictions for any offence within the past ten (10) years. Except as disclosed above, none of the Directors have any conflict of interest in any business arrangement involving the Company.

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 2011, 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 six (6) members comprising the Executive Chairman, two (2) Executive Directors and three (3) Independent Directors. This Board composition meets the requirement of at least one-third being Independent Directors.

The Board is led by the Executive Chairman who is primarily responsible for setting the Group's strategic direction whilst the Executive Directors are responsible for the day-to-day management of the Group's business and operations including the implementing the policies and decisions of the Board.

The Board collectively has a diverse background in business and financial experience and skills which are vital for the continued progress and success of the Group. The profiles of the Board members are set out on pages 20 to 22.

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.

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.

Director who is due for re-election by rotation in accordance with Article 96 of the Articles of Association of the Company at the forthcoming Fifteenth Annual General Meeting is Dato' Tan Heng Chew. Mr Tan Keng Meng, who was appointed on 11 January 2012, would hold office until the forthcoming Annual General Meeting, and being eligible, has offered himself for re-election pursuant to Article 76 of the Company's Articles of Association.

Mr Seow Thiam Fatt, retiring pursuant to Section 129(2) of the Companies Act, 1965, has offered himself for re-appointment as Director. The profiles of the Directors who are due for re-election and re-appointment are set out on pages 20 to 22.

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 2011 included, amongst others, the following:-

- Common Offences Committed by Company Directors under the Companies Act, 1965
- Corporate Governance Blueprint 2011 & Changes to Bursa Malaysia Listing Requirements
- Key Amendments to Bursa Malaysia Listing Requirements 2011: Corporate Disclosure Guide 2011
- The Board Leadership and Competency
- Launch of Corporate Integrity Pledge and Anti-Corruption Principles for Corporations in Malaysia
- Institute of Internal Audit International Conference
- Budget 2012 Tax Seminar
- Workshop on Implementation of Single Tier Tax System
- National Tax Conference 2011

Mr Tan Keng Meng who was appointed as a Director on 11 January 2012 had attended the Mandatory Accreditation Programme for Directors of Public Listed Companies in March 2012.

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 2011 is as follows:

	Executive Directors	Non-Executive Directors
Directors' fee	-	130,680
Salaries & allowances	2,115,347	19,700
Bonus	424,055	-
Benefits in kind	41,181	-
Total	2,580,583	150,380

Range of remuneration	Executive	Non-Executive
1 – 50,000	-	2
50,001 – 100,000	-	1
600,001 – 650,000	1	-
700,001 – 750,000	1	-
1,250,001 – 1,300,000	1	-
	3	3

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, 26 May 2011 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 68.71% 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 30 provides an overview of the state of the internal controls within the Group.

III Audit Committee and Auditors

The Board has established an Audit Committee. The membership of this Committee, the terms of reference and its activities report are set out on pages 27 to 29 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 2011, 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 six (6) meetings held in 2011 are set out below:

Name	Designation	Attendance
Seow Thiam Fatt *Independent Non-Executive Director*	Chairman	6/6
Dato' Chong Kwong Chin *Independent Non-Executive Director*	Member	6/6
Datuk Abdullah bin Abdul Wahab *Independent Non-Executive Director*	Member	6/6

TERMS OF REFERENCE

Membership

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

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

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

The members of the Committee shall elect a Chairman from amongst their 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 minimising losses and maximising opportunities of the Group;
6. any other function as may be required by the Board from time to time.

Conduct of Meetings

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

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

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

Decision shall be made by a majority of votes.

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

The Chairman shall exercise the right to require those who are in attendance to leave the room when matters to be discussed are likely to be hampered by their presence or confidentiality of matters needed to be preserved.

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) reviews high level operating 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 an Executive Director and comprising 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 2011 amounted to RM233,707.

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 46,800 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)
March	1,200	2.1800	2.1300	2.1717	2,690.79
April	2,000	2.3700	2.3700	2.3700	4,786.43
May	5,000	2.6000	2.6000	2.6000	13,094.90
June	8,300	2.6000	2.5900	2.5996	21,734.95
August	15,300	2.4000	2.3600	2.3739	36,585.82
November	15,000	2.5500	2.5500	2.5500	38,529.98
Total	46,800				117,422.87

Note: * Including transaction costs

All the shares bought back during the financial year are held as treasury shares. As at 31 December 2011, a total of 2,039,200 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.

(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 RM74,327.

(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) 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, the Group continued its supports towards the community by organizing several activities especially for the underpriviledged children and participated in fund raising activities for the local charitable organization such as World Hunger Relief Charity Walk and Sunway Medical Jogathon. The Group also contributed to Japan Earthquake Fund and 1MCA Medical Fund in 2011.

For the success and growth of our business, the Group will attract and retain quality and dedicated workforce. Employees are encouraged to grow and flourish, personally and professionally. Continuous learning and development opportunities are provided to all employees to prepare themselves for greater challenges in the workplace. With the educational assistance program, the Group provides financial assistance for eligible employees to pursue their higher level of studies in local and private 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 sport activities such as futsal, badminton and indoor games organised throughout the year.

The Group practices environmental preservation and strives to be environmental friendly in conducting its business. As part of our efforts to conserve natural resources, staff are encouraged to conserve energy, re-use and recycle where possible, and the Group will work closely with organisations to ensure the recycling of as much waste as is practical such as papers, plastics and bottles, thereby minimising our impact on the environment.

The Group strives to provide products and services of superior quality to customers, suppliers, business partners and other stakeholders in the market place by identifying and understanding their need and want. A great deal of time has been invested in developing relationships with our customers, suppliers and business partners, creating solutions to grow their businesses and to operate in a mutually beneficial way.

SHAREHOLDERS' STATISTICS

as at 30 March 2012

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	%
Less than 100	2,061	34.56	97,048	0.15
100 - 1,000	2,975	49.89	992,142	1.48
1,001 - 10,000	729	12.23	2,451,448	3.65
10,001 - 100,000	143	2.40	4,986,171	7.42
100,001 - 3,258,039 (less than 5% of issued shares)	52	0.87	27,352,428	40.70
3,258,040 (5% of issued shares) and above	3	0.05	29,281,563	43.57
Sub-Total	5,963	100.00	65,160,800	96.97
Treasury shares			2,039,200	3.03
Total	**5,963**	**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	2,741,733	4.21	33,314,632	51.13 [(2)]
2.	Ngu Ew Look	10,000	0.02	-	-
3.	Tan Keng Meng	100	- [(3)]	-	-
4.	Seow Thiam Fatt	9,000	0.01	-	-
5.	Datuk Abdullah bin Abdul Wahab	-	-	-	-
6.	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.

(3) Less than 0.01%.

shareholders' statistics
as at 30 March 2012

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	23,191,070	35.59	3,800,393	5.83 [1]
2.	Dato' Tan Heng Chew	2,741,733	4.21	30,889,463	47.40 [2]
3.	Wealthmark Holdings Sdn Bhd	3,898,000	5.98	-	-
4.	Tan Eng Soon	-	-	30,959,463	47.51 [3]
5.	Tan Kheng Leong	10,000	0.02	26,991,463	41.42 [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	21,411,070	32.86
2.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for The Bank of New York Mellon SA/NV (BDS Jersey)*	4,070,100	6.25
3.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt AN for HSBC (Malaysia) Trustee Berhad (D09-6061)*	3,800,393	5.83
4.	Citigroup Nominees (Asing) Sdn Bhd *CBHK for Platinum Broking Company Limited (client a/c)*	2,300,000	3.53
5.	Wealthmark Holdings Sdn Bhd	2,222,100	3.41
6.	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt AN for British and Malayan Trustees Limited (Yeoman 3-Rights)*	2,100,000	3.22
7.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Khor Swee Wah @ Koh Bee Leng (MM1208)*	1,325,169	2.03
8.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Tan Heng Chew (MM1063)*	1,262,100	1.94
9.	Wealthmark Holdings Sdn Bhd	1,222,000	1.88
10.	Tan Kim Hor	1,179,661	1.81
11.	Key Development Sdn Berhad	1,130,000	1.73
12.	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Khor Swee Wah @ Koh Bee Leng (SIN 7029-9)*	1,100,000	1.69
13.	Cimsec Nominees (Tempatan) Sdn Bhd *Allied Investments Limited for Tan Chong Consolidated Sdn Bhd*	1,000,000	1.53
14.	Wong Yu @ Wong Wing Yu	730,000	1.12
15.	Gan Teng Siew Realty Sdn Berhad	692,500	1.06

THIRTY LARGEST SHAREHOLDERS (continued)

	Name	No. of Shares Held	%*
16.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (8041121)*	588,300	0.90
17.	Chinchoo Investment Sdn Berhad	583,700	0.90
18.	Wealthmark Holdings Sdn Bhd	453,900	0.70
19.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Chong Consolidated Sdn Bhd (014011528927)*	450,000	0.69
20.	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (473963)*	425,000	0.65
21.	Yoke & Tans Holding Sdn Bhd	420,000	0.64
22.	Pang Sew Ha @ Phang Sui Har	397,360	0.61
23.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (E-KLC)*	361,300	0.55
24.	Key Development Sdn Berhad	358,900	0.55
25.	Rengo Malay Estate Sendirian Berhad	330,000	0.51
26.	Perak Traders Holdings Sdn Bhd	329,800	0.51
27.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)*	311,755	0.48
28.	Tan Boon Pun	310,438	0.48
29.	HDM Nominees (Asing) Sdn Bhd *DBS Vickers Secs (S) Pte Ltd for Lim Mee Hwa*	300,000	0.46
30.	Chan Kim Sendirian Berhad	294,600	0.45
	TOTAL	**51,460,146**	**78.97**

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

GROUP PROPERTIES

as at 31 December 2011

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	35	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	19	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	15	12.12.1996	-
19 Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	0.6	19	20.5.2000	-
Lot 1A Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2058	22.7	37	10.9.2004	2011
Lot 29 Jalan Delima 1/3 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop & vehicle storage yard	125,871	40,808	Freehold	7.5	19	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	34	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	2.7	11	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	4	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	12	20.7.2004	-
18 VSIP II 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	Industrial land & building	135,108	9,890	Leasehold 30.11.2055	0.9	1	2.12.2009	-

STATEMENT ON DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 December 2011

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 2011, the Directors have:

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

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

DIRECTORS' REPORT

for the year ended 31 December 2011

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 2011.

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	13,729	4,020
Attributable to:		
Owners of the Company	13,700	4,020
Non-controlling interests	29	-
	13,729	4,020

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 2010, as proposed in the Directors' Report for that year:	
- a final dividend of 6% less tax at 25%	2,934
In respect of the financial year ended 31 December 2011:	
- an interim dividend of 6% less tax at 25%	2,933
	5,867

The Directors proposed the payment of a final dividend of 6% less tax at 25% in respect of the financial year ended 31 December 2011.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

At the Annual General Meeting ("AGM") held on 17 May 2006, shareholders approved the share buy-back of up to 10% 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 26 May 2011. The authority will expire at the conclusion of the forthcoming AGM.

At 31 December 2011, 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
2011	46,800	2.51	117,423
	2,039,200		4,050,588

DIRECTORS

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

Dato' Tan Heng Chew	
Ngu Ew Look	
Seow Thiam Fatt	
Datuk Abdullah bin Abdul Wahab	
Dato' Chong Kwong Chin	
Tan Keng Meng	(appointed on 11.01.2012)
Ting Lieng Yu	(resigned on 11.01.2012)
Dato' Haji Nadzam bin Haji Mohd Din	(retired on 26.05.2011)

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 1.1.2011	**Additional**	**Disposal**	**At 31.12.2011**
Dato' Tan Heng Chew				
- direct interest	2,453,333	188,400	-	2,641,733
- indirect interest ^	29,323,247	2,938,400	1,552,184	30,709,463
- indirect interest #	1,262,969	62,200	-	1,325,169
Ngu Ew Look				
- direct interest	10,000	-	-	10,000
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.

None of the other Directors holding office as at 31 December 2011 has 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 29(b) 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 of the Company 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.

(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 3 April 2012

NGU EW LOOK
Director
3 April 2012

TAN KENG MENG
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 2011 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 45 to 104, except for pages 48 to 50 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 2011 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 ("the Act") 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 37 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. 1501/9/13 (J/PH)
Partner

Kuala Lumpur
3 April 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Note	2011 RM'000	2010 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	209,259	182,942
Investment properties	3	22,700	-
Intangible assets	6	15,075	15,075
Deferred tax assets	7	893	471
Finance lease receivables	8	7,252	8,296
Other investments	9	35	35
		255,214	206,819
CURRENT ASSETS			
Inventories	10	104,363	81,017
Trade and other receivables	11	117,251	99,790
Current tax assets		5,922	3,555
Fixed deposits	12	54,982	56,301
Cash and bank balances		44,821	30,687
Derivative financial assets		118	100
		327,457	271,450
TOTAL ASSETS		582,671	478,269
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	67,200	67,200
Share premium		615	615
Treasury shares	14	(4,051)	(3,933)
Merger reserve		(41,614)	(41,614)
Translation reserve		(481)	(662)
Hedging reserve	15	(48)	-
Revaluation reserve		12,205	-
Retained earnings		220,048	212,215
Total equity attributable to owners of the Company		253,874	233,821
Non-controlling interests		413	384
TOTAL EQUITY		254,287	234,205

consolidated statement of financial position

as at 31 December 2011

	Note	2011 RM'000	2010 RM'000
NON-CURRENT LIABILITIES			
Bank term loans (unsecured)	*16*	85,635	58,344
Retirement benefit obligations	*17*	2,522	2,303
Deferred tax liabilities	*18*	17,770	13,871
		105,927	74,518
CURRENT LIABILITIES			
Trade and other payables	*19*	91,699	87,814
Bank borrowings (unsecured)	*20*	128,887	80,565
Current tax liabilities		1,689	1,067
Derivative financial liabilities		182	100
		222,457	169,546
TOTAL LIABILITIES		328,384	244,064
TOTAL EQUITY AND LIABILITIES		582,671	478,269

Notes to and forming part of the financial statements are set out on pages 59 to 104.
Auditors' Report - Pages 43 to 44

CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	Note	2011 RM'000	2010 RM'000
Revenue	*21*	470,423	363,816
Cost of sales		(324,869)	(247,773)
Gross profit		145,554	116,043
Other income		4,821	4,162
Selling and distribution expenses		(64,080)	(57,432)
Administrative and general expenses		(54,974)	(38,988)
Profit from operations	*22*	31,321	23,785
Finance costs	*23*	(8,683)	(3,746)
Profit before tax		22,638	20,039
Tax expense	*24*	(8,909)	(6,959)
Profit for the year		13,729	13,080
Other comprehensive income, net of tax			
Change in fair value of cash flow hedge		(48)	283
Foreign currency translation		181	(475)
Revaluation of property, plant and equipment upon transfer to investment properties		12,205	-
Other comprehensive income for the year, net of tax		12,338	(192)
Total comprehensive income for the year		26,067	12,888
Profit attributable to:			
Owners of the Company		13,700	13,236
Non-controlling interests		29	(156)
Profit for the year		13,729	13,080
Total comprehensive income attributable to:			
Owners of the Company		26,038	13,044
Non-controlling interests		29	(156)
Total comprehensive income for the year		26,067	12,888
Basic earnings per share (sen)	*25*	21.02	20.29
Dividend per share (net of tax) (sen)	*26*	9.0	9.0

Notes to and forming part of the financial statements are set out on pages 59 to 104.
Auditors' Report - Pages 43 to 44

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011 (in USD equivalent)

	2011 USD'000	2010 USD'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	66,043	59,291
Investment properties	7,164	-
Intangible assets	4,758	4,886
Deferred tax assets	282	153
Finance lease receivables	2,289	2,688
Other investments	11	11
	80,547	67,029
CURRENT ASSETS		
Inventories	32,938	26,257
Trade and other receivables	37,005	32,342
Current tax assets	1,869	1,152
Fixed deposits	17,353	18,247
Cash and bank balances	14,146	9,946
Derivative financial assets	37	32
	103,348	87,976
TOTAL ASSETS	183,895	155,005
EQUITY AND LIABILITIES		
EQUITY		
Share capital	21,209	21,779
Share premium	194	200
Treasury shares	(1,278)	(1,275)
Merger reserve	(13,134)	(13,487)
Translation reserve	(152)	(214)
Hedging reserve	(15)	-
Revaluation reserve	3,852	-
Retained earnings	69,449	68,778
Total equity attributable to owners of the Company	80,125	75,781
Non-controlling interests	130	124
TOTAL EQUITY	80,255	75,905

consolidated statement of financial position

as at 31 December 2011 (in USD equivalent)

	2011 USD'000	2010 USD'000
NON-CURRENT LIABILITIES		
Bank term loans (unsecured)	27,027	18,909
Retirement benefit obligations	796	746
Deferred tax liabilities	5,608	4,496
	33,431	24,151
CURRENT LIABILITIES		
Trade and other payables	28,941	28,460
Bank borrowings (unsecured)	40,678	26,111
Current tax liabilities	533	346
Derivative financial liabilities	57	32
	70,209	54,949
TOTAL LIABILITIES	103,640	79,100
TOTAL EQUITY AND LIABILITIES	183,895	155,005

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2011 and 2010 are converted into USD equivalent using exchange rates RM3.1685 = USD1.00 and RM3.0855 = USD1.00 respectively which approximate that prevailing on the balance sheet dates.

CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011 (in USD equivalent)

	2011 USD'000	2010 USD'000
Revenue	148,469	117,911
Cost of sales	(102,531)	(80,302)
Gross profit	45,938	37,609
Other income	1,521	1,349
Selling and distribution expenses	(20,224)	(18,614)
Administrative and general expenses	(17,350)	(12,636)
Profit from operations	9,885	7,708
Finance costs	(2,740)	(1,214)
Profit before tax	7,145	6,494
Tax expense	(2,812)	(2,255)
Profit for the year	4,333	4,239
Other comprehensive income, net of tax		
Change in fair value of cash flow hedge	(15)	92
Foreign currency translation	57	(154)
Revaluation of property, plant and equipment upon transfer to investment properties	3,852	-
Other comprehensive income for the year, net of tax	3,894	(62)
Total comprehensive income for the year	8,227	4,177
Profit attributable to:		
Owners of the Company	4,324	4,290
Non-controlling interests	9	(51)
Profit for the year	4,333	4,239
Total comprehensive income attributable to:		
Owners of the Company	8,218	4,228
Non-controlling interests	9	(51)
Total comprehensive income for the year	8,227	4,177
Basic earnings per share (sen)	6.63	6.58
Dividend per share (net of tax) (sen)	2.8	2.9

The information presented on this page does not form part of the audited financial statements of the Group. Figures for 2011 and 2010 are converted into USD equivalent using exchange rates RM3.1685 = USD1.00 and RM3.0855 = USD1.00 respectively which approximate that prevailing on the balance sheet dates.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

		Attributable to owners of the Company										
		Non-distributable							Distributable			
	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Hedging reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000 Restated	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2010		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		67,200	615	(3,679)	(41,614)	(187)	(283)	-	204,849	226,901	-	226,901
Issue of shares		-	-	-	-	-	-	-	-	-	540	540
Foreign currency translation differences for foreign operations		-	-	-	-	(475)	-	-	-	(475)	-	(475)
Cash flow hedge		-	-	-	-	-	283	-	-	283	-	283
Total other comprehensive income for the year		-	-	-	-	(475)	283	-	-	(192)	-	(192)
Profit/(loss) for the year		-	-	-	-	-	-	-	13,236	13,236	(156)	13,080
Total comprehensive income for the year		-	-	-	-	(475)	283	-	13,236	13,044	(156)	12,888
Purchase of treasury shares		-	-	(254)	-	-	-	-	-	(254)	-	(254)
Dividends to owners 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
At 1 January 2011		67,200	615	(3,933)	(41,614)	(662)	-	-	212,215	233,821	384	234,205
Foreign currency translation differences for foreign operations		-	-	-	-	181	-	-	-	181	-	181
Cash flow hedge		-	-	-	-	-	(48)	-	-	(48)	-	(48)
Revaluation of property, plant and equipment upon transfer to investment properties		-	-	-	-	-	-	12,205	-	12,205	-	12,205
Total other comprehensive income for the year		-	-	-	-	181	(48)	12,205	-	12,338	-	12,338
Profit for the year		-	-	-	-	-	-	-	13,700	13,700	29	13,729
Total comprehensive income for the year		-	-	-	-	181	(48)	12,205	13,700	26,038	29	26,067
Purchase of treasury shares		-	-	(118)	-	-	-	-	-	(118)	-	(118)
Dividends to owners of the Company	*26*	-	-	-	-	-	-	-	(5,867)	(5,867)	-	(5,867)
At 31 December 2011		67,200	615	(4,051)	(41,614)	(481)	(48)	12,205	220,048	253,874	413	254,287

Notes to and forming part of the financial statements are set out on pages 59 to 104.
Auditors' Report - Pages 43 to 44

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

	Note	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		22,638	20,039
Adjustments for:			
Allowance for doubtful debts, net of write backs		158	(481)
Bad debts written off		8	28
Fair value adjustment on investment properties		(500)	-
Depreciation		43,921	31,997
Gain on disposal of property, plant and equipment		(1,255)	(149)
Gain on disposal of assets held for rental		(2,802)	(2,538)
Impairment loss on property, plant and equipment		-	63
Interest expense		8,683	3,746
Interest income		(2,170)	(1,258)
Inventories written down		2,330	2,061
Inventories written off		59	-
Property, plant and equipment written off		352	185
Retirement benefits		352	333
Unrealised loss on foreign exchange (net)		134	150
Opening balance adjustment		-	(275)
Operating profit before working capital changes		71,908	53,901
Changes in inventories		(24,453)	(14,806)
Changes in receivables		(16,583)	(31,245)
Changes in payables		3,751	17,322
Cash generated from operations		34,623	25,172
Proceeds from disposal of assets held for rental		12,717	9,391
Tax paid, net of refunds		(7,161)	(4,347)
Retirement benefits paid		(133)	(96)
Net cash generated from operating activities		40,046	30,120
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		(98,462)	(75,591)
Proceeds from disposal of property, plant and equipment		7,968	404
Interest received		2,170	1,258
Net cash used in investing activities		(88,324)	(84,224)

consolidated statement of cash flows
for the year ended 31 December 2011

	2011 RM'000	2010 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank term loans	70,000	62,237
Repayment of bank term loans	(19,356)	(11,110)
Drawdown of revolving credits	114,000	20,000
Repayment of revolving credits	(110,000)	(5,000)
Drawdown of bankers' acceptances (net)	20,969	18,452
Dividends paid	(5,867)	(5,870)
Interest paid	(8,683)	(3,746)
Treasury shares acquired	(118)	(254)
Net cash generated from financing activities	60,945	74,709
NET CHANGES IN CASH AND CASH EQUIVALENTS	12,667	20,605
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	86,988	66,858
Foreign exchange differences	148	(475)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	99,803	86,988
Represented by:		
CASH AND BANK BALANCES	44,821	30,687
FIXED DEPOSITS	54,982	56,301
	99,803	86,988

Note (i) - Acquisition of assets and liabilities

During the previous financial year, the Group acquired the remaining 30% of issued and paid-up share capital of Mayflower Corporate Travel Services Sdn Bhd. This acquisition had the following effect on the Group's 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 59 to 104.
Auditors' Report - Pages 43 to 44

STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Note	2011 RM'000	2010 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*2*	989	799
Investment properties	*3*	22,700	22,200
Investment in subsidiary companies	*4*	128,422	118,162
Investment in jointly controlled entities	*5*	24,568	24,568
Deferred tax assets	*7*	112	112
		176,791	165,841
CURRENT ASSETS			
Trade and other receivables	*11*	5,602	14,604
Current tax assets		3,531	1,950
Fixed deposits	*12*	2,549	18,014
Cash and bank balances		1,997	2,434
		13,679	37,002
TOTAL ASSETS		190,470	202,843
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*13*	67,200	67,200
Treasury shares	*14*	(4,051)	(3,933)
Revaluation reserve		930	930
Retained earnings		100,934	102,781
TOTAL EQUITY		165,013	166,978
NON-CURRENT LIABILITIES			
Bank term loan (unsecured)	*16*	15,135	20,000
Retirement benefit obligations	*17*	425	467
		15,560	20,467
CURRENT LIABILITIES			
Trade and other payables	*19*	5,032	15,398
Bank term loan (unsecured)	*20*	4,865	-
		9,897	15,398
TOTAL LIABILITIES		25,457	35,865
TOTAL EQUITY AND LIABILITIES		190,470	202,843

Notes to and forming part of the financial statements are set out on pages 59 to 104.
Auditors' Report - Pages 43 to 44

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	Note	2011 RM'000	2010 RM'000
Revenue	*21*	16,658	10,973
Other income		1,297	2,689
Administrative and general expenses		(12,236)	(4,157)
Profit from operations	*22*	5,719	9,505
Finance costs	*23*	(1,391)	(773)
Profit before tax		4,328	8,732
Tax expense	*24*	(308)	(959)
Profit for the year		4,020	7,773
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		4,020	7,773

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

	Note	← Non-distributable		→	Distributable	
		Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
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 owners of the Company	*26*	-	-	-	(5,870)	(5,870)
At 31 December 2010		67,200	(3,933)	930	102,781	166,978
At 1 January 2011		67,200	(3,933)	930	102,781	166,978
Total comprehensive income for the year		-	-	-	4,020	4,020
Purchase of treasury shares		-	(118)	-	-	(118)
Dividends to owners of the Company	*26*	-	-	-	(5,867)	(5,867)
At 31 December 2011		67,200	(4,051)	930	100,934	165,013

Notes to and forming part of the financial statements are set out on pages 59 to 104.
Auditors' Report - Pages 43 to 44

STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,328	8,732
Adjustments for:		
Depreciation	291	139
Dividend income	(14,919)	(10,086)
Fair value adjustment on investment properties	(500)	(1,200)
Loss on disposal of property, plant and equipment	62	9
Property, plant and equipment written off	-	1
Impairment in value of investment in subsidiary companies	3,020	-
Impairment in value of investment in subsidiary companies written back	-	(769)
Interest income	(588)	(589)
Interest expense	1,391	773
(Reversal)/Provision of retirement benefits	(42)	26
Operating loss before working capital changes	(6,957)	(2,964)
Changes in receivables	9,002	18,165
Changes in payables	(10,366)	2,799
Net cash (used in)/generated from operations	(8,321)	18,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(640)	(462)
Proceeds from disposal of property, plant and equipment	97	51
Subscription of additional shares in subsidiary companies	(13,280)	(36,760)
Interest received	588	589
Dividends received from subsidiary companies	11,709	7,700
Dividends received from jointly controlled entities	1,321	915
Net cash used in investing activities	(205)	(27,967)

statement of cash flows

for the year ended 31 December 2011

	2011 RM'000	2010 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,391)	(773)
Dividends paid	(5,867)	(5,870)
Treasury shares acquired	(118)	(254)
Drawdown of term loan	-	20,000
Net cash (used in)/generated from financing activities	(7,376)	13,103
NET CHANGES IN CASH AND CASH EQUIVALENTS	(15,902)	3,136
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	20,448	17,312
CASH AND CASH EQUIVALENTS CARRIED FORWARD	4,546	20,448
Represented by:		
CASH AND BANK BALANCES	1,997	2,434
FIXED DEPOSITS	2,549	18,014
	4,546	20,448

Notes to and forming part of the financial statements are set out on pages 59 to 104.
Auditors' Report - Pages 43 to 44

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") 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/revised FRSs, Amendments to FRSs and Issues Committee Interpretations ("IC Interpretations"):

FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRSs	Improvements to FRSs (2010)
Amendments to FRS 2	Share-based payment [Consequential amendments arising from FRS 3 Business Combinations (as revised in 2010)]
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets [Consequential amendments arising from FRS 3 Business Combinations (as revised in 2010)]
IC Interpretation 4	Determining Whether an Arrangement contains a Lease

The above applicable new/revised FRSs, Amendments to FRSs and IC Interpretations did not have significant impact on the financial statements of the Group and the Company upon their initial application.

The following are the Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations which were effective but not applicable to the Group and the Company:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 15	Agreements for Construction of Real Estate
TR i – 4	Shariah Compliant Sale Contracts

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revised FRS, IC Interpretation and Amendments to IC Interpretation which are not yet effective

The Group and the Company have not applied the following revised FRS, IC Interpretation and Amendments to IC Interpretation that have been issued by MASB but are not yet effective:

Revised FRSs, IC Interpretation and Amendments to IC Interpretation		Effective for financial periods beginning on or after
FRS 124	Related Party Disclosures (revised)	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement	1 July 2011

The above revised FRS, IC Interpretation and Amendments to IC Interpretation are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

(d) New Malaysian Financial Reporting Standards Framework

The MASB issued new MASB Approved Accounting Standards known as Malaysia Financial Reporting Standards ("MFRS" or "the MFRS framework") on 19 November 2011. The MFRS framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012.

Early adoption of the MFRS framework is permitted.

The Company will be required to prepare its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Company will quantify the financial impact of the differences between the current FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

Accordingly, the financial performance and financial position as disclosed in the financial statements for the year ended 31 December 2011 could be different if prepared under MFRS framework upon its initial application.

(e) 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 reporting date, and reported amounts of income and expenses during the financial year.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Significant accounting judgements and estimates (continued)

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 2011 were RM209,259,000 and RM989,000 (2010: RM182,942,000 and RM799,000), 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 2011 was RM104,363,000 (2010: RM81,017,000).

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Significant accounting judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

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 2011 were RM117,251,000 and RM5,602,000 (2010: RM99,790,000 and RM14,604,000), respectively.

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 2011 was RM14,375,000 (2010: RM14,375,000).

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 2011 were RM5,922,000 and RM3,531,000 (2010: RM3,555,000 and RM1,950,000), respectively.

The carrying amounts of the Group's and the Company's deferred tax assets as at 31 December 2011 were RM893,000 and RM112,000 (2010: RM471,000 and RM112,000), respectively.

The carrying amounts of the Group's current and deferred tax liabilities as at 31 December 2011 were RM1,689,000 (2010: RM1,067,000) and RM17,770,000 (2010: RM13,871,000) respectively.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of an asset.

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 2011.

(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 profit or loss 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 profit or loss.

(iii) Depreciation

Depreciation is recognised in profit or loss 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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. The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss 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 profit or loss.

(h) Subsidiary companies

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

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amounts of the subsidiary company disposed of is taken to profit or loss.

(i) Basis of consolidation

(i) Transaction eliminated on 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.

(ii) Accounting for business combinations

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 acquisition 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.

The Group has changed its accounting policy with respect to accounting for business combinations. There had no financial impact on the financial statements of the Group as there was no new business combination during the year.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

The goodwill is accounted for in accordance with the accounting policy set out in note 1(k)(i).

Goodwill arising on the acquisition of subsidiary companies is presented separately in the statement of financial position.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

The Group applied FRS 127 Consolidated and Separate Financial Statements (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

(iii) Non-controlling interests

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

Since the beginning of the reporting period, the Group has applied FRS 127 Consolidated and Separate Financial Statements (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Jointly controlled entities

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

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

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

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

(k) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment 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 acquisitions between 1 January 2006 and 1 January 2011, 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. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net fair value amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Intangible assets (continued)

(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, other than goodwill, that are acquired by the Group, which have finite useful lives are measured at cost less any accumulated amortisation and any 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 the reporting date. 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.

(l) Financial instruments

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

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

(iii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows. Management determines the classification of the financial assets as set out below upon initial recognition. The Group and the Company only have financial assets categorised as loans and receivables and available-for-sale.

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 financial guarantee contract or 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 or the Company 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.

(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 less allowance for impairment loss. Gains or 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

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

(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(r)).

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

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

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.

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

(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 equity 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

(v) Derecognition of financial assets and liabilities

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 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, 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 profit or loss.

(m) 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.

(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(t).

(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) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share capital

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

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

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.

(q) 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 at the reporting 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 profit or loss 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 profit or loss as part of the gain or loss on disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Impairment of financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in associated company) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Assets carried at amortised cost

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. The impairment loss is recognised in profit or loss.

Available-for-sale financial assets

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 amortisation) 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 amount of the impairment loss decreases and the decrease can be related objectively 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.

(s) 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 profit or loss 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Impairment of non-financial assets (continued)

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

Property, plant and equipment, investment in subsidiary companies and jointly controlled entities are assessed at each 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 profit or loss.

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.

(t) Revenue and other income

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 profit or loss when the significant risks and rewards of ownership have been transferred to the customers.

(ii) Services

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

(iii) Car rental income

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

(iv) Finance lease income

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

(v) Interest income

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

(vi) Rental income

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

(vii) Dividend income

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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 profit or loss 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 services in the current and prior periods.

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

Any increase in benefits to employees is recognised as an expense in profit or loss 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 profit or loss.

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 obligations, that portion is recognised in profit or loss 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.

(v) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Taxation

The tax expense in profit or loss 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 profit or loss 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.

(x) 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.

(y) Operating segment

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

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

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
Cost/valuation												
At 1 January 2010	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 2010, 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
	15,437	12,400	14,753	1,706	50,875	30,292	4,051	32,113	126,384	122	939	289,072
At 31 December 2010/ 1 January 2011												
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
Additions	-	96	-	12	14,407	3,404	618	9,800	68,840	-	1,285	98,462
Disposals	-	-	-	-	(5,639)	(34)	-	(13,180)	(13,809)	-	-	(32,662)
Reclassification	-	-	-	459	-	45	-	6,006	(6,051)	-	(459)	-
Write-off	-	-	-	-	-	(970)	(188)	(1)	-	-	(5)	(1,164)
Adjustment	-	-	-	(1)	-	(5)	-	-	-	-	-	(6)
Transfer to investment properties	-	(10,200)	(1,300)	-	-	-	-	-	-	-	-	(11,500)
Transfer to inventories	-	-	-	-	(6,936)	-	-	-	-	-	-	(6,936)
Effects of movements in exchange rates	-	23	-	-	-	-	-	-	-	-	10	33
At 31 December 2011												
Cost	15,437	2,319	12,274	2,176	52,707	32,732	4,481	34,738	175,364	122	1,770	334,120
Valuation	-	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	2,319	13,453	2,176	52,707	32,732	4,481	34,738	175,364	122	1,770	335,299

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
Depreciation and impairment loss												
At 1 January 2010												
Accumulated depreciation	-	-	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 2010, 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 2010/ 1 January 2011	-	1,727	2,430	1,491	20,299	22,663	1,968	17,162	38,288	102	-	106,130
Charge for the year	-	25	254	191	8,595	3,619	442	4,542	26,244	9	-	43,921
Disposals	-	-	-	-	(4,729)	(30)	-	(6,857)	(8,507)	-	-	(20,123)
Reclassification	-	-	-	-	-	(15)	15	-	-	-	-	-
Write-off	-	-	-	-	-	(745)	(66)	(1)	-	-	-	(812)
Adjustment	-	-	(5)	(1)	-	-	-	-	-	-	-	(6)
Transfer to investment properties	-	(1,323)	(182)	-	-	-	-	-	-	-	-	(1,505)
Transfer to inventories	-	-	-	-	(1,565)	-	-	-	-	-	-	(1,565)
At 31 December 2011	-	429	2,497	1,681	22,600	25,492	2,359	14,846	56,025	111	-	126,040
Carrying amounts												
At 1 January 2010, 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
At 31 December 2010/ 1 January 2011												
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
At 31 December 2011												
Cost	15,437	1,890	9,777	495	30,107	7,240	2,122	19,892	119,339	11	1,770	208,080
Valuation	-	-	1,179	-	-	-	-	-	-	-	-	1,179
	15,437	1,890	10,956	495	30,107	7,240	2,122	19,892	119,339	11	1,770	209,259

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
Cost				
At 1 January 2010	845	276	644	1,765
Additions	16	126	320	462
Disposals	-	(7)	(104)	(111)
Write-off	-	(5)	-	(5)
At 31 December 2010/ 1 January 2011	861	390	860	2,111
Additions	-	53	587	640
Disposals	-	-	(283)	(283)
At 31 December 2011	861	443	1,164	2,468
Accumulated depreciation				
At 1 January 2010	830	187	211	1,228
Charge for the year	12	43	84	139
Disposals	-	(4)	(47)	(51)
Write-off	-	(4)	-	(4)
At 31 December 2010/ 1 January 2011	842	222	248	1,312
Charge for the year	13	51	227	291
Disposals	-	-	(124)	(124)
At 31 December 2011	855	273	351	1,479
Net carrying amount At 31 December 2010	19	168	612	799
At 31 December 2011	6	170	813	989

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	Net carrying amount 2011 RM'000	Net carrying amount 2010 RM'000
The Group's buildings are situated as follows:		
On leasehold land	1,059	2,191
On freehold land	9,656	9,886
In a multi-storey office complex with strata title	241	246
	10,956	12,323

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	-	-	22,200	21,000
Transfer from property, plant and equipment	9,995	-	-	-
Increase resulting from accumulated revaluation	12,205	-	-	-
Changes in fair value for the year	500	-	500	1,200
At 31 December	22,700	-	22,700	22,200
Investment properties comprise:				
Long term leasehold land	19,900	-	19,900	19,400
Buildings	2,800	-	2,800	2,800
	22,700	-	22,700	22,200

The fair value of the investment properties at 31 December 2011 is based on a valuation carried out by Rahim & Co Chartered Surveyors Sdn Bhd on 31 December 2011.

4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares, at cost	153,408	140,128
Less: Accumulated impairment loss	(24,986)	(21,966)
	128,422	118,162

The subsidiary companies are as follows:

	Equity interest 2011 %	Equity interest 2010 %	Country of incorporation	Principal activities
Tung Pao Sdn Bhd +	100	100	Malaysia	Distribution and sale of health care and consumer products
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

4. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

	Equity interest 2011 %	Equity interest 2010 %	Country of incorporation	Principal activities
Belize Holdings Sdn Bhd +	100	100	Malaysia	Investment holding
Excess Line Sdn Bhd	100	100	Malaysia	Inactive
Comit Communications Technologies (M) Sdn Bhd +	100	100	Malaysia	Inactive
Virtual Travel Sdn Bhd +	100	100	Malaysia	Inactive
Grooming Expert Sdn Bhd +	100	100	Malaysia	Hairdressing salons and beauty parlours
Angka-Tan Motor Sdn Bhd +	100	100	Malaysia	Assembly, distribution and sale 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 *	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	100	100	Malaysia	Operation of inbound tours and provision of airticketing services
Kereta Komersil Seladang (M) Sdn Bhd	70	70	Malaysia	Manufacturing, assembly and sale of commercial vehicles
MAT (Labuan) Pte Ltd	100	100	Labuan Malaysia	Investment holding
MAT Tours And Travel (Cambodia) Pte Ltd*	100	-	Cambodia	Dormant
Mayflower ITravel Sdn Bhd	100	-	Malaysia	Dormant

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

* *Not audited by Mazars*

5. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Company 2011 RM'000	Company 2010 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 2011 %	Proportion of ownership interest 2010 %	Principal activities
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

** *Not audited by Mazars*

6. INTANGIBLE ASSETS

	Group Goodwill RM'000	Group Licence RM'000	Group Total RM'000
Cost			
At 1 January 2010	5,944	-	5,944
Addition	8,431	700	9,131
At 31 December 2010/31 December 2011	14,375	700	15,075
Accumulated amortisation			
At 1 January 2010/31 December 2010/ 31 December 2011	-	-	-
Net carrying amount			
At 31 December 2010/31 December 2011	14,375	700	15,075

6. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill

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

	2011 RM'000	2010 RM'000
Inbound tours and air-ticketing services	8,431	8,431
Cosmetics and consumer products	4,183	4,183
Ladies under-garments	1,761	1,761
	14,375	14,375

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% - 63.0%
Growth rate	6.0% - 9.0%
Discount rate	3.6% - 6.0%
Risk free rate	3.5% - 3.7%

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

(i) Budgeted gross margin

The budgeted gross margin is based on the margin achieved in the year immediately before the budgeted year and 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of the year	471	765	112	112
Origination/(Reversal) for the year (net)	422	(294)	-	-
At 31 December	893	471	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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
The deferred tax assets arose from:				
Deductible temporary differences on				
- unabsorbed capital allowances	(245)	1,849	-	-
- other temporary differences	1,246	1,899	163	163
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	(108)	(3,277)	(51)	(51)
	893	471	112	112

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

	Group	
	2011 RM'000	2010 RM'000
(Taxable)/Deductible temporary differences		
- between net carrying amount and tax written down value of property, plant and equipment	(140)	(147)
- unutilised tax losses	1,879	1,855
- unabsorbed capital allowances	757	623
- other temporary differences	124	158
	2,620	2,489

8. FINANCE LEASE RECEIVABLES

	Group 2011 RM'000	Group 2010 RM'000
Finance lease instalments receivable		
- later than one year	14,373	12,750
- later than one year but not later than five years	7,862	8,948
	22,235	21,698
Unexpired term charges	(1,485)	(1,719)
Outstanding principal	20,750	19,979
Outstanding principal receivable not later than one year *(see note 11)*	(13,498)	(11,683)
Outstanding principal receivable later than one year but not later than five years	7,252	8,296

The interest rate of the finance leases is 5% - 6% (2010 : 5% - 6%) per annum depending on the amount financed and the tenure of the lease.

9. OTHER INVESTMENTS

	Group 2011 RM'000	Group 2010 RM'000
Classified as available-for-sale financial assets		
Unquoted shares, at cost	35	35

10. INVENTORIES

Group	2011 At cost RM'000	2011 At net realisable value RM'000	2011 Total RM'000	2010 At cost RM'000	2010 At net realisable value RM'000	2010 Total RM'000
Raw materials	1,627	1,050	2,677	2,387	772	3,159
Work-in-progress	126	-	126	179	-	179
Equipment and machinery	55,867	7,201	63,068	46,491	5,481	51,972
Trading inventories	11,476	1,137	12,613	11,186	918	12,104
Spare parts and workshop inventories	10,780	2,066	12,846	9,664	1,824	11,488
Commercial vehicles	2,714	-	2,714	-	-	-
CKD kits and accessories	10,319	-	10,319	2,115	-	2,115
	92,909	11,454	104,363	72,022	8,995	81,017

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gross trade receivables	88,166	72,867	-	-
Allowance for doubtful debts	(2,981)	(2,898)	-	-
	85,185	69,969	-	-
Finance lease receivables *(see note 8)*	13,498	11,683	-	-
Other receivables	3,395	2,113	4	9
Sundry deposits	2,045	1,665	65	65
Prepayments	9,787	11,710	74	674
Subsidiary companies	-	-	5,453	13,851
Jointly controlled entities	354	643	6	-
Related parties	2,987	2,007	-	5
	117,251	99,790	5,602	14,604

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.

The amount owing by jointly controlled entities comprises:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	348	643	-	-
Non trade receivables	6	-	6	-
	354	643	6	-

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 related parties in which a Director of the Company has substantial interest are trade receivables which are unsecured, interest free and have a normal credit period of 60 - 120 days.

12. FIXED DEPOSITS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed deposits				
- with licensed banks	54,982	50,463	2,549	12,176
- with other licensed financial institutions	-	5,838	-	5,838
	54,982	56,301	2,549	18,014

The effective interest rates range from 0.24% to 3.40% (2010: 0.27% to 2.85%). All deposits had maturity periods of less than one year.

13. SHARE CAPITAL

	2011 RM'000	2010 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	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
At 1 January	1,992	1,881	3,933	3,679
Additions	47	111	118	254
At 31 December	2,039	1,992	4,051	3,933

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 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Repayments due within the next 12 months *(see note 20)*	40,219	16,866	4,865	-
Repayments due after 12 months	85,635	58,344	15,135	20,000
	125,854	75,210	20,000	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:

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
At 3.88% per annum	5,274	8,610	-	-
At 4.39% per annum	-	1,382	-	-
At 4.67% per annum	40,000	-	-	-
At 4.70% per annum	7,037	-	-	-
At 4.75% per annum	-	11,481	-	-
At 4.93% per annum	11,455	14,727	-	-
At 4.95% per annum	27,510	-	-	-
At 4.98% per annum	20,000	20,000	20,000	20,000
At 5.10% per annum	3,287	5,510	-	-
At 5.14% per annum	11,291	13,500	-	-
	125,854	75,210	20,000	20,000

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 statement of financial position are as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
At 1 January	2,303	2,043	467	441
Charged to profit or loss	352	333	-	26
Reversal	-	-	(42)	-
Retirement benefits paid	(133)	(96)	-	-
Adjustment/Transfer	-	23	-	-
At 31 December	2,522	2,303	425	467

At 31 December, the provision for retirement benefits recognised in the statement of financial position is analysed as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Present value of unfunded obligations	2,522	2,303	425	467

The expense recognised in profit or loss is analysed as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Current service cost	273	202	27	14
Interest cost	120	104	7	5
Past service cost	-	6	-	6
Actuarial (loss)/gain	(41)	21	(76)	1
Total included in employee costs	352	333	(42)	26

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

	2011	**2010**
Discount rate	5.9%	5.3%
Expected rate of salary increases	6.0%	6.0%
Price inflation	3.5%	3.5%

18. DEFERRED TAX LIABILITIES

	Group	
	2011 RM'000	2010 RM'000
At 1 January	13,871	10,016
Origination for the year (net)	3,899	3,855
At 31 December	17,770	13,871

The deferred tax liabilities arose from:

	Group	
	2011 RM'000	2010 RM'000
Taxable temporary differences		
- relating to revaluation of properties	224	231
- between net carrying amount and tax written down value of property, plant and equipment	21,860	14,759
Deductible temporary differences on		
- unutilised tax losses	(29)	-
- unabsorbed capital allowances	(2,212)	(684)
- other temporary differences	(2,073)	(435)
	17,770	13,871

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	38,490	48,246	-	-
Other payables	14,534	13,414	715	738
Deposits received	18,079	13,659	-	-
Accruals	17,988	12,062	82	84
Subsidiary companies	-	-	1,658	14,178
Related parties	2,608	433	2,577	398
	91,699	87,814	5,032	15,398

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 nil (2010: RM12,393,506) which is subject to interest based on fixed deposit interest rate of reference banks. The effective interest rates during the year were nil (2010: 1.6% to 2.85%) per annum. The non trade payables are payable on demand.

The related parties are companies in which a Director of the Company has substantial interest. 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		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current portion of long term loans *(see note 16)*	40,219	16,866	4,865	-
Bankers acceptances	50,168	29,199	-	-
Revolving credits	38,500	34,500	-	-
	128,887	80,565	4,865	-

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 4.20% (2010: 3.10% to 3.16%).

Revolving credits bear effective interest rates at 3.47% to 4.35% (2010: 3.44% to 4.00%) per annum.

21. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gross dividends from subsidiary companies	-	-	13,193	8,867
Gross dividends from jointly controlled entities	-	-	1,726	1,219
Sales of goods	241,359	172,180	-	-
Sale proceeds from disposal of assets held for rental	12,717	9,391	-	-
Services rendered including car hire income	207,622	178,875	1,739	887
Finance lease income	1,233	1,210	-	-
Operating lease income	7,492	2,160	-	-
	470,423	363,816	16,658	10,973

22. PROFIT FROM OPERATIONS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit from operations is stated after charging:				
Allowance for doubtful debts	619	844	-	-
Auditors' remuneration				
- statutory audit				
- current year	190	168	25	25
- (over)/under provision in prior year	(1)	(2)	2	-
- other auditors' remuneration	-	2	-	-
Bad debts written off	8	28	-	-
Depreciation of property, plant and equipment	43,921	31,997	291	139
Directors' remuneration				
- fees	131	131	131	131
- other emoluments	4,069	2,343	2,559	538
Direct operating expenses on rental income generating investment properties	26	-	26	32
Impairment in value of investment in subsidiary companies	-	-	3,020	-
Impairment loss on property, plant and equipment	-	63	-	-
Inventories written off/down	2,389	2,061	-	-
Loss on disposal of property, plant and equipment	97	12	62	9
Property, plant and equipment written off	352	185	-	1
Rental expense				
- land and buildings	2,671	2,103	46	30
- car	-	-	12	48
- equipment	198	248	-	-
Retirement benefit obligations	352	333	-	26
Unrealised loss on foreign exchange, net	134	226	-	-
and crediting:				
Allowance for doubtful debts written back	461	1,325	-	-
Bad debts recovered	5	25	-	-
Gain on disposal of property, plant and equipment	1,352	161	-	-
Gain on disposal of assets held for rental	2,802	2,538	-	-
Gain on foreign exchange, net				
- realised	600	1,446	-	-
- unrealised	-	76	-	-
Gain on fair value adjustment on investment properties	500	-	500	1,200
Interest income from				
- fixed deposits	2,170	1,258	503	528
- subsidiaries	-	-	85	61
Impairment in value of investment in subsidiary companies written back	-	-	-	769
Rental income from				
- investment properties	166	-	166	117
- land and buildings	56	39	-	-
- equipment	10,204	8,893	-	-
- car	-	-	2	10
Retirement benefit obligations	-	-	42	-

Directors' remuneration of the Group and the Company does not include the estimated monetary value of benefits-in-kind amounted to RM90,214 and RM41,181 (2010 : RM50,154 and RM15,065) respectively.

23. FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest paid and payable on:				
Term loans	5,223	2,148	1,026	483
Bankers' acceptances	1,658	713	-	-
Revolving credits	1,757	804	-	-
Others	45	81	365	290
	8,683	3,746	1,391	773

24. TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysian taxation based on results for the year				
- current	3,934	3,348	363	961
- deferred	4,136	3,424	-	-
	8,070	6,772	363	961
Under/(Over) provision in prior years				
- current	1,498	(538)	(55)	(2)
- deferred	(659)	725	-	-
	8,909	6,959	308	959

Domestic tax rate is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Accounting profit	22,638	20,039	4,328	8,732
Tax at applicable tax rates	5,659	5,010	1,082	2,183
Tax effect of expenses not deductible in determining taxable profit	4,023	3,734	1,274	320
Tax effect of income not taxable in determining taxable profit	(2,236)	(2,096)	(1,966)	(1,542)
Crystalisation of deferred tax liabilities on amortisation of revalued properties	(6)	(4)	-	-
Change in unrecognised temporary differences	630	238	(27)	-
Tax effect of different tax rates of subsidiaries	-	(110)	-	-
Under/(Over) provision in prior years	839	187	(55)	(2)
Tax expense for the year	8,909	6,959	308	959

Subject to agreement with the Inland Revenue Board, based on estimated tax credits available and the prevailing tax rate applicable to dividends, the entire retained earnings 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 RM13,700,000 (2010: RM13,236,000) by the weighted average number of shares in issue of 65,188,050 (2010: 65,230,800). The weighted average number of shares in issue is calculated as follows:

	2011	2010
Number of ordinary shares at 1 January	67,200,000	67,200,000
Effect of treasury shares held	(2,011,950)	(1,969,200)
Weighted average number of ordinary shares at 31 December	65,188,050	65,230,800

26. DIVIDENDS

	2011 RM'000	2010 RM'000
In respect of the financial year ended 31 December 2009:		
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
Final dividend of 6% less 25% income tax	2,934	-
In respect of the financial year ended 31 December 2011:		
Interim dividend of 6% less 25% income tax	2,933	-
	5,867	5,870

Subsequent to 31 December 2011, the Directors proposed a final dividend of 6% less 25% income tax in respect of the financial year ended 31 December 2011.

27. INCORPORATION OF SUBSIDIARIES

(i) On 10 February 2011, MAT (Labuan) Pte Ltd ("MAT Labuan"), a wholly-owned subsidiary of the Company incorporated a new wholly-owned subsidiary, MAT Tours And Travel (Cambodia) Pte Ltd ("MAT Cambodia"), in Cambodia to cater for the Group's future business needs. The intended principal activities of MAT Cambodia is to carry on business of inbound and outbound tours, provision of cars and coaches for rental and leasing as well as airticketing services. The issued and paid-up share capital of MAT Cambodia is USD1,000 (approximately RM3,169) as at 31 December 2011.

(ii) On 2 September 2011, the Company incorporated a new wholly-owned subsidiary, Mayflower ITravel Sdn Bhd ("MIT") in Malaysia to cater for the Group's future business needs. The intended principal activity of MIT is to carry on the business of college for higher education, hospitality and tourism. The issued and paid-up share capital of MIT is RM2 as at 31 December 2011.

28. EMPLOYEE INFORMATION

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Employee costs	70,180	61,327	4,728	2,228
Included in the employee costs are:				
EPF contributions	6,719	5,633	469	188
Defined benefit plan provisions	352	333	(42)	26

29. RELATED PARTY DISCLOSURES

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

(a) Transactions with subsidiary companies

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Interest received and receivable	-	-	85	61
Management fee received and receivable	-	-	1,739	887
Rental received and receivable	-	-	166	117
Interest paid and payable	-	-	379	290

(b) Transactions with companies in which a Director of the Company has substantial interest

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Sales	22,017	2,597	-	-
Travel agency, car rental and workshop services	6,298	3,883	-	-
Rental income	493	300	-	-
Purchase of trucks	1,307	3,351	-	-
Purchase of spare parts	484	959	-	-
Workshop services	1,630	1,341	20	8
Rental expense	74	29	15	15
Purchase of property, plant and equipment	26,240	15,975	587	261
Insurance agency services	2,679	1,620	58	59
Administrative services	3,350	305	1,849	19
Assembly services	5,380	-	-	-

Information regarding outstanding balances arising from related party transactions at reporting date 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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term employee benefits (salaries, allowances, bonuses and benefits-in-kind)	5,380	4,096	2,775	1,041
Post-employment benefits				
- EPF	603	413	317	74
- Defined benefit plan provisions	97	5	-	-
	6,080	4,514	3,092	1,115
Directors	4,290	2,524	2,731	684
Other key management personnel	1,790	1,990	361	431
	6,080	4,514	3,092	1,115

31. COMMITMENTS

	Group	
	2011 RM'000	2010 RM'000
Capital commitments		
Contracted capital expenditure not provided for in the financial statements	6,400	40,191

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:

	2011 RM'000	2010 RM'000
Not later than one year	41,589	22,483
Later than one year but not later than five years	58,076	18,378
	99,665	40,861

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:

	2011 RM'000	2010 RM'000
Not later than one year	1,825	1,802
Later than one year but not later than five years	1,482	1,769
	3,307	3,571

32. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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)

	2011			2010		
	Carrying amount RM'000	L&R RM'000	AFS RM'000	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	35	-	35
Finance lease receivables	7,252	7,252	-	8,296	8,296	-
Trade and other receivables, excluding prepayments	107,464	107,464	-	88,080	88,080	-
Cash and cash equivalents	99,803	99,803	-	86,988	86,988	-
Derivative financial assets	118	118	-	100	100	-
	214,672	214,637	35	183,499	183,464	35
Company						
Trade and other receivables, excluding prepayments	5,528	5,528	-	13,930	13,930	-
Cash and cash equivalents	4,546	4,546	-	20,448	20,448	-
	10,074	10,074	-	34,378	34,378	-

32. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

	2011		2010	
	Carrying amount RM'000	OL RM'000	Carrying amount RM'000	OL RM'000
Financial liabilities:				
Liabilities as per statement of financial position				
Group				
Loans and borrowings	214,522	214,522	138,909	138,909
Trade and other payables	91,699	91,699	87,814	87,814
Derivative financial liabilities	182	182	100	100
	306,403	306,403	226,823	226,823
Company				
Loans and borrowings	20,000	20,000	20,000	20,000
Trade and other payables	5,032	5,032	15,398	15,398
	25,032	25,032	35,398	35,398

(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
2011				
Financial assets:				
Finance lease receivables	7,252	7,017	-	-
Financial liabilities:				
Bank loans	85,635	75,626	15,135	13,361
2010				
Financial assets:				
Finance lease receivables	8,296	8,032	-	-
Financial liabilities:				
Bank loans	58,344	52,146	20,000	17,995

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.

33. 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.

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**
2011				
Not past due	58,018	-	(74)	57,944
Past due 0-30 days	17,973	-	(15)	17,958
Past due 31-120 days	17,728	-	(46)	17,682
Past due more than 120 days	7,945	(1,026)	(1,820)	5,099
	101,664	(1,026)	(1,955)	98,683
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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

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

Group	2011 RM'000	2010 RM'000
At 1 January	2,898	3,586
Impairment loss recognised	619	844
Impairment loss reversed	(461)	(1,325)
Impairment loss written off	(75)	(207)
At 31 December	2,981	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 will have sufficient liquidity to meet its liabilities when they fall due.

Analysis of financial instruments by remaining contractual maturities

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

2011	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	91,699	-	-	91,699
Loans and borrowings	130,434	96,731	-	227,165
Total	222,133	96,731	-	318,864
Company				
Financial liabilities:				
Trade and other payables	5,032	-	-	5,032
Loans and borrowings	5,780	16,044	-	21,824
Total	10,812	16,044	-	26,856

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

	On demand or within one year RM'000	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
2010				
Group				
Financial liabilities:				
Trade and other payables	88,114	-	-	88,114
Loans and borrowings	84,693	63,163	-	147,856
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 reporting date was:

	2011 RM'000	**2010 RM'000**
Fixed rate instruments		
Financial assets	75,732	76,280
Financial liabilities	(207,485)	(58,219)
	(131,753)	18,061
Floating rate instruments		
Financial liabilities	(7,037)	(80,690)

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 reporting date would not affect profit or loss.

A sensitivity analysis has been performed on the variable rate borrowings of the Group as at the reporting date. A change of 50 basis points in interest rate at the reporting date would have increased (decreased) post-tax profit or loss by RM18,041 (2010 : RM5,565), with all other variables remain constant.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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) and Euro.

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 reporting date was:

			2011 Denominated in			
Group	**USD**	**SGD**	**RMB**	**Euro**	**JPY**	**GBP**
In thousands RM						
Trade receivables	1,922	8	588	-	-	-
Trade payables	(1,424)	(10)	-	(31)	(3,442)	(12)
Net exposure	498	(2)	588	(31)	(3,442)	(12)

			2010 Denominated in		
Group	**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)

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 reporting date.

A 10 percent strengthening of the above mentioned foreign currencies against Ringgit Malaysia (RM) at the reporting date would have decreased post-tax profit or loss by RM230,312 (2010 : RM291,002), with all other variables remain constant.

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

34. 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 2011, the Group's strategy, which was unchanged from 2010, 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 are as follows:

	2011 RM'000	2010 RM'000
Loans and borrowings (notes 16 and 20)	214,522	138,909
Less : Cash and cash equivalents	(99,803)	(86,988)
Net debt	114,719	51,921
Total equity	254,287	234,205
Gearing ratio	45%	22%

35. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Consumer products		Automotive		Other operations		Total	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Segment profit / (loss)	23,467	15,807	49,631	37,595	5,380	4,788	671	-	400	(719)	79,549	57,471
Included in the measure of segment profit / (loss) are:												
Revenue from external customers	184,228	133,707	197,109	167,710	63,981	61,007	22,295	-	2,810	1,392	470,423	363,816
Inter-segment revenue	-	-	1,316	1,159	-	-	218	-	-	-	1,534	1,159
Write-down of inventories	(453)	(395)	-	-	(1,877)	(1,666)	-	-	-	-	(2,330)	(2,061)
Impairment of property, plant and equipment	-	(63)	-	-	-	-	-	-	-	-	-	(63)
Not included in the measure of segment profit/(loss) but provided to Chief Executive Officer:												
Depreciation and amortisation	(10,019)	(6,246)	(30,869)	(23,177)	(2,250)	(2,081)	(308)	(56)	(184)	(83)	(43,630)	(31,643)
Finance costs	(3,328)	(1,246)	(4,206)	(2,017)	-	-	(123)	-	-	-	(7,657)	(3,263)
Finance income	763	169	543	288	348	272	-	-	13	12	1,667	741
Income tax expense	(3,895)	(1,863)	(5,091)	(4,964)	(1,369)	(628)	(115)	(1)	(20)	(15)	(10,490)	(7,471)
Segment assets	223,637	176,330	220,648	190,189	73,707	59,436	26,138	10,668	6,431	5,306	550,561	441,929
Included in the measure of segment assets are:												
Additions to non-current assets other than financial instruments and deferred tax assets	17,415	30,890	76,123	50,789	2,485	1,952	1,445	1,761	354	241	97,822	85,633

35. SEGMENTAL ANALYSIS (continued)

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

	2011 RM'000	2010 RM'000
Profit or loss		
Total profit or loss for reportable segments	79,549	57,471
Depreciation and amortisation	(43,921)	(31,997)
Finance costs	(8,683)	(3,746)
Finance income	2,170	1,258
Non reportable segment expenses	(6,477)	(2,947)
Consolidated profit before tax	22,638	20,039

	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
2011						
Total reportable segments	470,423	(43,630)	(7,657)	1,667	550,561	97,822
Other non-reportable segments	-	(291)	(1,026)	503	32,110	640
Consolidated total	470,423	(43,921)	(8,683)	2,170	582,671	98,462
2010						
Total reportable segments	363,816	(31,643)	(3,263)	741	441,929	85,633
Other non-reportable segments	-	(354)	(483)	517	36,340	462
Consolidated total	363,816	(31,997)	(3,746)	1,258	478,269	86,095

36. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 3 April 2012 by the Board of Directors.

37. 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 2011, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Total retained profits				
Realised	243,153	248,894	90,289	92,636
Unrealised	(15,480)	(12,387)	10,645	10,145
	227,673	236,507	100,934	102,781
Total share of retained profits from jointly controlled entities				
Realised	9,404	6,998	-	-
Unrealised	366	359	-	-
	9,770	7,357	-	-
Less : Consolidation adjustments	(17,395)	(31,649)	-	-
Total retained profits as per statement of financial position	220,048	212,215	100,934	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, Ngu Ew Look and Tan Keng Meng, being two of the Directors of Warisan TC Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 45 to 104 are, except for pages 48 to 50 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 2011 and of their financial performance and cash flows for the year ended on that date.

The information set out in Note 37 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 3 April 2012

NGU EW LOOK
Director
3 April 2012

TAN KENG MENG
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 myknowledge and belief, the financial statements set out on pages 45 to 105 are, except for pages 48 to 50 which are expressed in USD equivalent, correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
this 3 April 2012)
)
)
) **CHUA TIAN PANG**
)

Before me:

Commissioner for Oaths
Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth 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, 24 May 2012 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 2011 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 2011. ***Ordinary Resolution 2***

3. To re-elect Dato' Tan Heng Chew, 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 re-elect Mr Tan Keng Meng, a Director who is eligible and has offered himself for re-election, in accordance with Article 76 of the Company's Articles of Association. ***Ordinary Resolution 4***

5. 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 re-appointed as a 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 5***

6. To re-appoint Messrs Mazars as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 6***

As Special Business

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

7. **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 7***

8. **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 8***

9. **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 30 April 2012 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 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 30 April 2012 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 10***

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 Fifteenth Annual General Meeting of Warisan TC Holdings Berhad, a final dividend of 6% less income tax for the financial year ended 31 December 2011 will be paid on 21 June 2012. The entitlement date shall be 31 May 2012.

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 31 May 2012 in respect of ordinary transfers; and
(2) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.

By Order of the Board
ANG LAY BEE (MAICSA 0825641)
CHANG PIE HOON (MAICSA 7000388)
Company Secretaries

Kuala Lumpur
30 April 2012

NOTES:

1. A depositor whose name appears in the Record of Depositors of the Company as at 16 May 2012 shall be regarded as a member entitled to attend, speak and vote at the meeting.

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

3. The 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.

4. 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.

5. Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act, 1991) which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. 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 14th Annual General Meeting held on 26 May 2011 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 14th Annual General Meeting which will lapse at the conclusion of the 15th Annual General Meeting to be held on 24 May 2012.

   A renewal of the mandate is being sought at the 15th Annual General Meeting under proposed Ordinary Resolution 7. 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 8, 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 utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 30 April 2012 despatched together with the Company's 2011 Annual Report.

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

   The proposed Ordinary Resolutions 9 and 10, 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 9 and 10 are set out in the Circular to Shareholders dated 30 April 2012 despatched together with the Company's 2011 Annual Report.

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WARISAN TC HOLDINGS BERHAD (424834-W)

(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.

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

NRIC No./Company No. ______________________ (new) ______________ (old)

of ____

______________ (full address) 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 Fifteenth 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, 24 May 2012 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' Tan Heng Chew as Director		
Ordinary Resolution 4	Re-election of Tan Keng Meng as Director		
Ordinary Resolution 5	Re-appointment of Mr Seow Thiam Fatt as Director in accordance with Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 6	Re-appointment of Messrs Mazars as Auditors		
Ordinary Resolution 7	Proposed Grant of Authority pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 8	Proposed Renewal of Authority for the Company to purchase its own shares		
Ordinary Resolution 9	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Ordinary Resolution 10	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad and its subsidiaries		

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

____

Signature/Common Seal

Number of shares held:______________________

Date:______________________________

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

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

Notes:

1. A depositor whose name appears in the Record of Depositors of the Company as at 16 May 2012 shall be regarded as a member entitled to attend, speak and vote at the meeting.

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

3. The 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.

4. 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.

5. Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act, 1991) which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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

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Affix
STAMP

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

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Warisan TC Holdings Berhad
(424834-W)

62-68 Jalan Ipoh
51200 Kuala Lumpur

Tel : 03 4047 8888
Fax : 03 4047 8636
E-mail : corporate@wtch.com.my