WARISAN TC HOLDINGS BERHAD
(424834-W)

ANNUAL REPORT **2013**

CONTENTS

FINANCIAL STATEMENTS

CORPORATE INFORMATION

DIRECTORS

Dato' Tan Heng Chew
Executive Chairman

Ngu Ew Look
Chief Executive Officer

Tan Keng Meng
Executive Director

Datuk Abdullah bin Abdul Wahab
Senior Independent Non-Executive Director

Seow Thiam Fatt
Independent Non-Executive Director

Dato' Chong Kwong Chin
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Chong Kwong Chin
Chairman

Seow Thiam Fatt

Datuk Abdullah bin Abdul Wahab

NOMINATING COMMITTEE

Datuk Abdullah bin Abdul Wahab
Chairman

Seow Thiam Fatt

Dato' Chong Kwong Chin

COMPANY SECRETARIES

Lee Kwee Cheng

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
Website : www.warisantc.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.tricorglobal.com

AUDITORS

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

STOCK EXCHANGE LISTING

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

BUSINESS DIVISIONS

TRAVEL & CAR RENTAL

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

MACHINERY

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

AUTOMOTIVE

- Light commercial truck
- Heavy commercial truck
- Passenger vehicles

OTHERS

- Cosmetics
- Hair care
- Lingerie

CORPORATE STRUCTURE

MACHINERY DIVISION

100%	TCIM Sdn Bhd
100%	Jentrakel Sdn Bhd
100%	TC Machinery Vietnam Pte Ltd

OTHERS

100%	Warisan Captive Incorporated
100%	Grooming Expert Sdn Bhd
100%	Tung Pao Sdn Bhd
100%	Tan Chong Apparels Manufacturer Sdn Bhd
100%	Comit Communication Technologies (M) Sdn Bhd
50%	Shiseido Malaysia Sdn Bhd
50%	Wacoal Malaysia Sdn Bhd

TRAVEL & CAR RENTAL DIVISION

100%	Mayflower Acme Tours Sdn Bhd
100%	Discovery Tours (Sabah) Sdn Bhd
100%	Mayflower Corporate Travel Services Sdn Bhd

AUTOMOTIVE DIVISION

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

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 2013.

FINANCIAL HIGHLIGHTS

For the year under review, the Group recorded net revenue of RM483.7million, a 6.7% increase over last year restated net revenue of RM453.2million. The restatement is due to the adoption of MFRS 11, *Joint Arrangement,* commencing this financial year as explained in the notes to the financial statements. Profit before tax improved by 15% to RM42.9million from RM37.2million in 2012; the fair value gain from our investment property this year is RM9.5million (2012: RM10.4million).

In line with the higher profit, earnings per share increased to 52.55 sen per share from 45.52sen per share in 2012. Shareholders' funds as at 31 December 2013 stood at RM299.7million compared to RM269.9million (restated) at the end of previous year.

DIVIDENDS

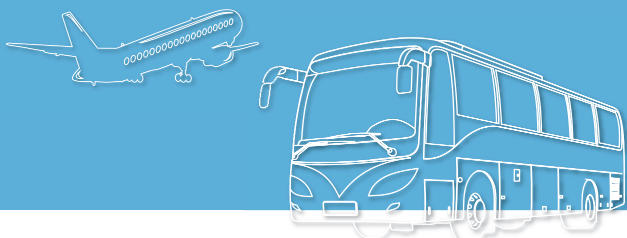
The Board is pleased to recommend a final single tier dividend of 4.5sen (2012: 6sen less tax at 25%) for the financial year ended 31 December 2013, subject to the shareholders' approval at the forthcoming Annual General Meeting. Together with the interim dividend of 6sen less tax at 25% (2012: 6sen less tax at 25%) per share paid on 30 September 2013, this represents a total dividend net of tax of 9sen (2012: 9sen) per share.

REVIEW OF BUSINESS OPERATIONS

For the financial year ended 31 December 2013, the Group continued to operate four (4) core businesses, namely Travel & Car Rental, Industrial Machinery & Equipment, Automotive and Others - mainly consumer products.

EXECUTIVE CHAIRMAN'S STATEMENT

TRAVEL & CAR RENTAL



For the year under review, the travel business has experienced challenging operating environment with intense price cutting from competitors, and the increased global internet penetration which has caused a shift in the travel business landscape. The reductions in airfares offer by carriers due to competition among airlines have also resulted in lower revenue even though the quantum of transactions has increased. Despite these trends, Mayflower Travel & Car Rental continues to be resilient and invests in technology to enhance its online booking tools as well as online front-end system. Operating processes have been improved further to enhance business performance through better management of costs.

Segment revenue for the year increased to RM223.6million from RM202.1million recorded in the last financial year with a corresponding increase in segment profit by 27.5%.

Mayflower was again nominated for the prestigious "Best Local Tour Operator 2012/2013 (Inbound)" recently in February 2014 by Tourism Malaysia for its excellent track record in service delivery and reliability.

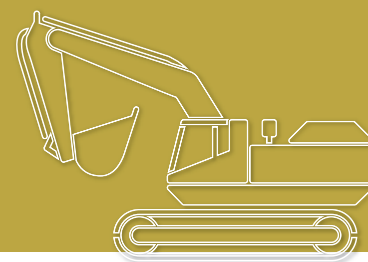
The Corporate Ticketing business, in collaboration with American Express, has continued to record growth in profit due to its strong commitment in customer service and delivering value. These efforts are further recognised with numerous top agent awards from premium airlines in the industry.

On the Car Rental front, Mayflower Car Rental continues to maintain its status as one of the leading car rental operator in Malaysia with a fleet size of 2,800 units. The division has also embarked on its online booking engine for its retail fleet. In addition, monthly auction is conducted to dispose of its fleet of aged vehicles in line with the strategy to maintain a young fleet. Auction vehicles, whether from internal or external, are being inspected and if passed, certified with "3 Guarantees" – no major accident, non tampered chassis and engine identification number, and no flood contamination.

2013 marked the auspicious 50th Anniversary of Mayflower Car Rental, coupled with the Visit Malaysia Year 2014, promise more exciting product offers going forward. However, due to the recent unfortunate incident of MH370, travel business particularly inbound to Malaysia has faced a new challenge to maintain volume. The longer term strategies of Mayflower entail regional expansion into Indochina market, Myanmar as well as Thailand.

EXECUTIVE CHAIRMAN'S STATEMENT

INDUSTRIAL MACHINERY & EQUIPMENT



Due to a more challenging local market as well as facing the uncertainty in the global economy, segment from the Industrial Machinery & Equipment division under TCIM Sdn Bhd and Jentrakel Sdn Bhd declined slightly to RM203.2million as compared with RM204.9million in the preceding year.

Demands for agricultural tractors and light machinery especially rental forklift held steady and have helped to sustain the revenue for the year. On the other hand, the demands for heavy machinery saw a drop owing to lesser infrastructure projects and construction related activities. Strong revenue performance from the after sales business was recorded again during the year having leverage on past experience and efforts to strengthen the after sales services. Indeed, TCIM Sdn Bhd celebrated its 30th Anniversary this financial year since its incorporation in 1983.

The Machinery division posted a lower segment profit this financial year as margins of machinery unit sales were affected by intense competition and higher foreign currency exchange rates. More vigorous cost savings measures and productivity enhancement plans have been undertaken to sustain profitability.

The Machinery division aims to continuously expanding its product range, hence succeeding in its strategic position as a one stop solution center for its existing and future customers. By focusing on having the right products and markets ensure that we poise to capture market share in the respective target market segments. New products introduced in this financial year which will improve sales in future periods include TGB Agro Carrier, Sakai Compactor Roller, Takeuchi Mini Hydraulic Excavators and Sumitomo SH130LF-5 Macan.

With a strong distribution network, we remain committed to serve our customers expeditiously by expanding our after sales network across the country especially in East Malaysia. Having set up our 3S service centres, we have invested substantially in these branches with specialised and dedicated after sales support personnel, tools and infrastructure to deliver superior service level. The focus and emphasis on after sales support had again yielded result as our forklift principal, UniCarriers Corporation, Japan had awarded us the gold service award for outstanding service support in the Asean region in year 2012/13. This award motivates us to strive harder to maintain our leadership position.

We project that demand for machinery will pick up amidst recovery in developed markets which augurs well for manufacturing sectors hence our light machinery sales. Barring any cut back in government spending, roll out of road projects, on-going construction sub sector activities, mining and oil and gas sub sector projects will provide the impetus for heavy machinery sales. On a defensive side, we are expecting our after sales business as well as the rental forklift business to cushion the various operating risks if they trigger in. Margin is also expected to be affected by a more expensive United States ("US") Dollar against Ringgit Malaysia. For longer term growth, this division continues to embark on product acquisitions to diversify its revenue and profit stream as well as strengthening the after sales support business.

EXECUTIVE CHAIRMAN'S STATEMENT

AUTOMOTIVE

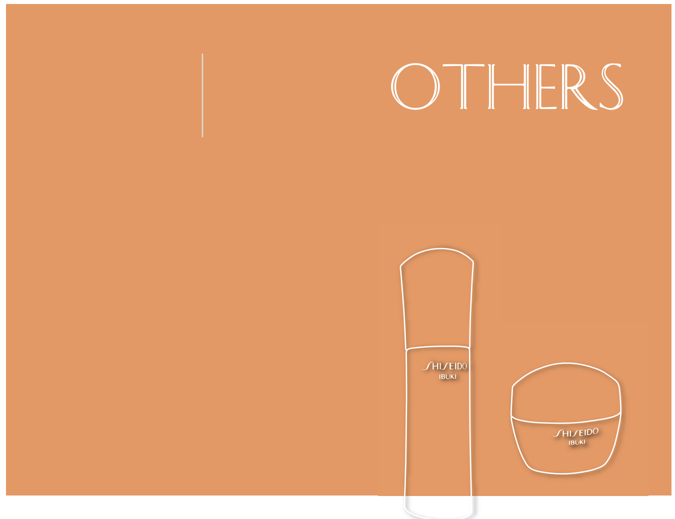
Net sales of the Automotive division improved by 10% to RM45.7million from RM41.4million in the last financial year. This division generated a slight segment profit in this financial year as opposed to the last financial year due to the startup costs incurred on the setting up of Passenger Vehicles division and the opening of the flagship showroom at Jalan 225, Petaling Jaya, and margin pressure from the higher exchange rate of the US Dollar.

In September 2013, we launched our pickup trucks Bison Savanna. Powered by Cummins engine, geared by Getrag German Transmission, axles by Dana American Technology, the launch included 2 variants of vehicles: 4x4 Double Cab and 4x2 Double Cab versions at competitive pricing. This marked another significant milestone of our collaboration with Beiqi Foton Motor Co. Ltd, China ("Beiqi"), after our successful launch of the heavy duty trucks in 2012. Beiqi, as noted in 2012, had entered into a joint venture arrangement with German Daimler AG to produce technologically advance commercial vehicles, which our Automotive division is definitely going to benefit from this joint venture. For the Light Commercial Vehicle segment, we introduced the BJ1059/XL (GVW 5,000 kg) improved model also powered by Cummins engine and German ZF transmission.

Further to the setup of the flagship showroom at Jalan 225 in this financial year, this division is planning to expand its distribution network to open another 2 new branches in Kuantan, 1 each for commercial trucks and passenger vehicle divisions. These are in addition to the existing 2 branches in Johor and 1 in Penang.

Chinese brands' vehicles are quickly gaining its presence and market share in Malaysia, particularly in the heavy commercial vehicles segment. Our Automotive division, although at its infant stage at this moment, is position to jump on this bandwagon.

EXECUTIVE CHAIRMAN'S STATEMENT



For the year under review, Grooming Expert, our hair salon business, collaborated with Shiseido to add their new range of Shiseido Professional Stage Works hairstyling products and Aupres skincare into our salon and retail product repertoire. This division is currently streamlining its structure responding to the competitive market. The year ahead in 2014 is expected to be an exciting year for our Petaling Jaya branch due to its strategic location in Section 13, an area bustling with massive commercial and residential developments.

The year 2013 was a very challenging yet exciting year for Wacoal, our undergarment business, in Malaysia. To further strengthen the Wacoal brand image in Malaysia, Wacoal counters at the higher end departmental stores were given a fresh logo look; the Wacoal logo being embossed onto a glass mirror finish signifying high technology and high quality. For the young, Wacoal Malaysia introduced the brand b'tempt'd by Wacoal. Available in Isetan KLCC and Parkson Pavilion, b'tempt'd by Wacoal is widely successful in the USA and has also been introduced into Hong Kong.

To mark its 10th year anniversary this year in Malaysia, the 2013 Wacoal Pink Ribbon campaign was launched on a bigger scale with the New Straits Times ("NST") in October 2013. This launch campaign held at Balai Berita featured an awareness event participated by NST and Makna and was opened to the public. The Makna mobile clinic was on hand to provide mammogram services. Wacoal Malaysia also provided a number of prosthesis to breast cancer survivors. Miss Malaysia World 2013, Miss Melinder Kaur Bhullar, led the 2013 Wacoal Pink Ribbon campaign calling for greater breast cancer awareness. A radio campaign and information on Breast Self-Examination ("BSE") at all 100 Wacoal counters nationwide followed the official launch.

EXECUTIVE CHAIRMAN'S STATEMENT

Our cosmetic, makeup and hair care business under the renowned brand Shiseido has no less excited events in 2013. Clé de Peau Beauté has expanded to the northern region of Malaysia and a new counter was opened in Parkson Gurney Plaza, Penang. Product wise, we have the launch of Shiseido Vital-Perfection Anti-Aging Science Serum AAA Whitening by Hong Kong actress Michelle Monique Reis, the brand ambassador of Shiseido Revital recognized as one of the most beautiful women in Asia time and time again. Shiseido further launched Ibuki, whole new skincare range in June 2013 designed to build skin's inner resistance for smooth, trouble-free skin. Another remarkable occasion is the launch of NARS, a world-renowned cosmetics brand officially announced its arrival in Malaysia with a grand pre-launch party in August 2013. And subsequently in November 2013, the much awaited NARS brand finally unveiled its first store in Pavilion Kuala Lumpur with an outstanding party in the store. ZA Perfect Solution was launched in September 2013. ZA extends its line of skincare products with the launch of the all-new Perfect Solution, new high-performance anti-aging skincare products that helps create youthful, firm, resilient and wrinkle-free skin.

EXECUTIVE CHAIRMAN'S STATEMENT

Prospects

The global economy continues to expand at a moderate pace whilst the Asian economies have continued to experience sustainable growth. Although growth in domestic demand in some Asian economies is showing signs of moderation, they are still the main contributor of global growth, likewise the recovery of the advance economies. Nevertheless, global economic and financial conditions remain vulnerable to shifts in sentiments and heightened volatility in the international financial markets.

For the Malaysian economy, improvements in exports have supported economic growth. Rebounding exports, helped by a weakening currency and brighter global demand are likely to keep Malaysia's economic growth steady, particularly in the electronics and petroleum products. However, the high debt burden and weakening Ringgit Malaysia are still a concern. Going forward, the growth momentum is expected to continue in 2014. Investment activity is also projected to remain robust, led by capital spending by the private sector and government spending announced in the 2014 National Budget. Domestic demand, conversely, is expected to moderate, reflecting the ongoing public sector consolidation and a slower growth in private consumption partly because consumers feel the pinch from the government's recent cut to fuel and food subsidies; leaving exports and investment in the drivers' seat supporting Gross Domestic Product ("GDP") growth in 2014.

Going forward, the Group will continue to focus on strengthening market presence, increase product range, cost stabilisation and productivity improvements, whilst expanding our market to neighboring countries widening our regional footprint. The operating environment will remain challenging especially with the sluggish domestic spending and volatile Ringgit Malaysia. The general increase of price level also put pressure on our margins. Our continuing efforts aiming for increase productivity and efficiency will help to alleviate some of the cost pressures.

Acknowledgement

On behalf of the Board, I want to thank the management and all employees of WTCH Group for the unwavering loyalty, hard work and support. I would also like to extend our utmost gratitude to our shareholders, investors, business associates and all other stakeholders who have supported us.

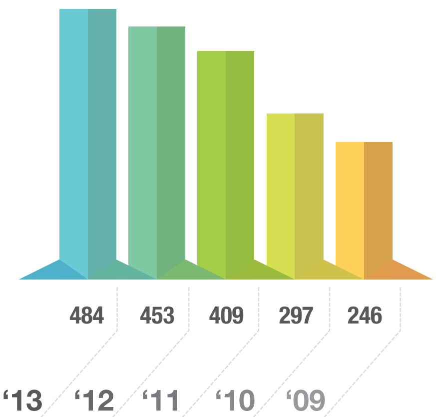
Lastly, I take this opportunity to also thank our board members for the continuous contribution and valuable advices.

Dato' Tan Heng Chew, JP, DJMK
Executive Chairman

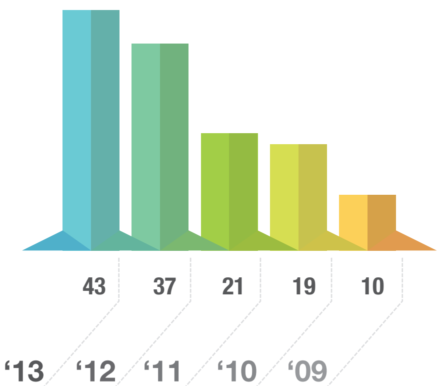
8 April 2014

FINANCIAL CHARTS

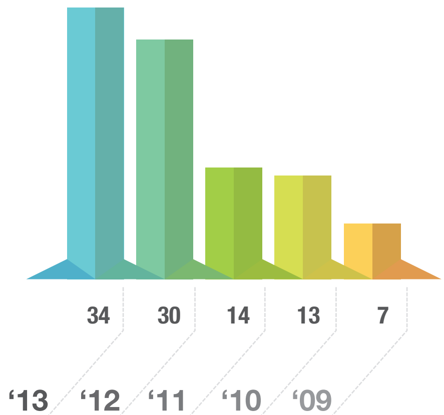
REVENUE
(RM Million)



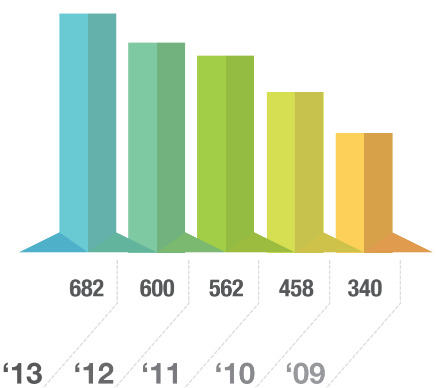
PROFIT BEFORE TAX
(RM Million)



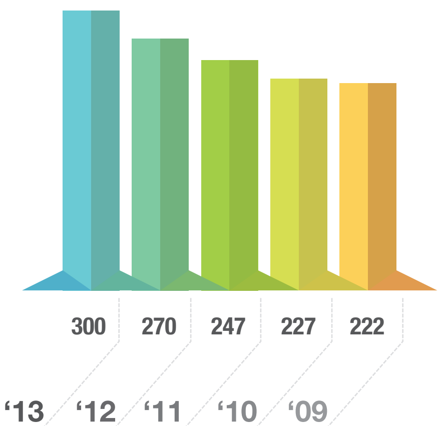
PROFIT AFTER TAX
(RM Million)



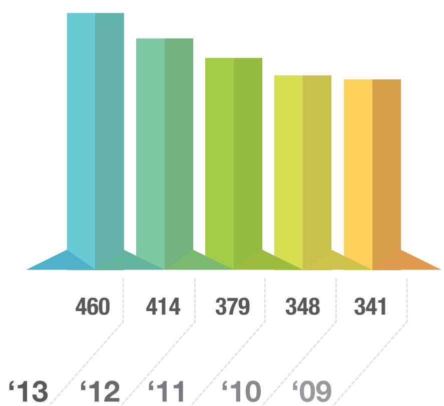
TOTAL ASSETS
(RM Million)



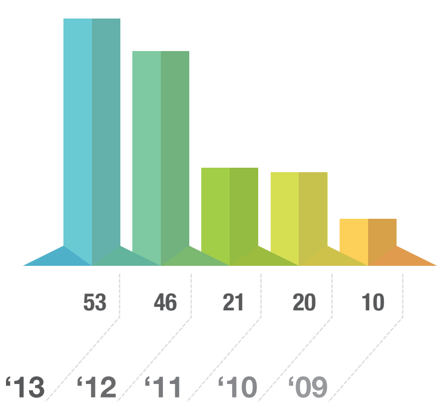
SHAREHOLDERS' FUNDS
(RM Million)



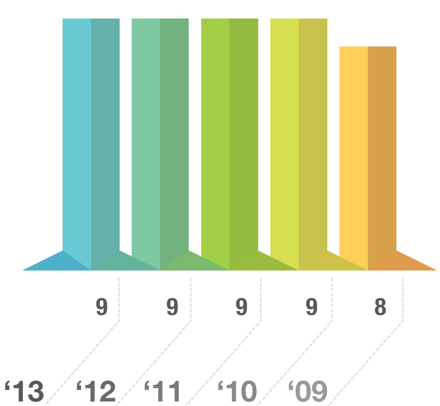
NET ASSETS PER SHARE
(Sen)



EARNINGS PER SHARE
(Sen)



NET DIVIDEND PER SHARE
(Sen)



Note: 2009 to 2012 numbers have been restated to incorporate the adoptions of new Standards, Amendments and Issue Committee Interpretations as explained in the notes to the financial statements.

5-YEAR FINANCIAL HIGHLIGHTS

	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
		Restated *			
RESULTS					
Revenue	483,662	453,199	408,832	296,532	245,552
Profit before tax	42,907	37,244	21,332	18,716	10,477
Taxation	(8,904)	(7,597)	(7,603)	(5,636)	(3,734)
Profit after tax	34,003	29,647	13,729	13,080	6,743
Attributable to:					
Shareholders of the Company	34,221	29,651	13,700	13,236	6,743
Non-controlling interests	(218)	(4)	29	(156)	-
FINANCIAL POSITION					
Assets					
Property, plant and equipment	202,159	207,213	205,627	179,328	142,153
Investment properties	42,600	33,100	22,700	-	-
Investments accounted for using the equity method	31,727	29,704	26,503	24,713	32,482
Other investments	10	10	10	10	10
Finance lease receivables	3,471	4,395	7,252	8,296	6,923
Deferred tax assets	734	548	520	112	213
Intangible assets	9,131	9,131	9,131	9,131	-
Total non-current assets	289,832	284,101	271,743	221,590	181,781
Currents assets	392,169	316,349	290,507	236,126	157,992
Total Assets	682,001	600,450	562,250	457,716	339,773
Equity					
Share capital	67,200	67,200	67,200	67,200	67,200
Share premium	615	615	615	615	615
Reserves	236,112	206,232	183,115	162,727	158,344
Treasury share	(4,201)	(4,128)	(4,051)	(3,933)	(3,679)
Total equity attributable to owners of the Company	299,726	269,919	246,879	226,609	222,480
Non-controlling interests	182	400	404	384	-
Total equity	299,908	270,319	247,283	226,993	222,480
Non-current liabilities	62,225	80,294	105,497	74,277	26,585
Current liabilities	319,868	249,837	209,470	156,446	90,708
Total Equity and Liabilities	682,001	600,450	562,250	457,716	339,773
FINANCIAL STATISTICS					
Basic earnings per share (sen)	52.55	45.52	21.02	20.29	10.26
Dividend per share (net of tax)(sen)	9.00	9.00	9.00	9.00	8.25
Net assets per share (sen)	460	414	379	348	341
Return on shareholders' equity (%)	11.3%	11.0%	5.6%	5.8%	3.0%
Net debt/Equity (%)	51.9%	47.1%	50.6%	27.9%	-
Gross Dividend History					
Interim	6.0%	6.0%	6.0%	6.0%	5.0%
Final	4.5%	6.0%	6.0%	6.0%	6.0%
Total	10.5%	12.0%	12.0%	12.0%	11.0%

* - Restated to incorporate the adoptions of new Standards, Amendments and Issue Committee Interpretation as explained in the notes to the financial statements.

PROFILE OF DIRECTORS

Dato' Tan Heng Chew

JP, DJMK

Executive Chairman

Dato' Tan Heng Chew, aged 67, 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 re-designated 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 Group Managing Director 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 2013.

NGU EW LOOK

Chief Executive Officer

Ngu Ew Look, aged 60, a Malaysian, was appointed an Executive Director of the Board of Warisan TC Holdings Berhad on 26 July 2002 and was re-designated as Chief Executive Officer on 1 July 2013.

Mr Ngu is a 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 the 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. During his over 10 years' stint in Warisan Group, he has involved in the business operations of Travel and Car Rental Division and Industrial Machinery & Equipment Division. He was instrumental in the establishment of the Automotive Division of the Warisan Group in 2011. Prior to his current appointment, Mr Ngu was the 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 attended all the five (5) Board Meetings held in 2013.

PROFILE OF DIRECTORS

TAN KENG MENG

Executive Director

Tan Keng Meng, aged 55, 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 Tan attended all the five (5) Board Meetings held in 2013.

DATO' CHONG KWONG CHIN

JP, DIMP

Independent Non-Executive Director

Dato' Chong Kwong Chin, aged 61, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 3 March 2008 and is the Chairman of the Audit Committee. He also serves as a member of the Nominating Committee.

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

Dato' Chong attended all the five (5) Board Meetings held in 2013.

PROFILE OF DIRECTORS

SEOW THIAM FATT

Independent Non-Executive Director

Seow Thiam Fatt, also known as Larry Seow, aged 73, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 July 2002 and is a member of the Audit Committee. He also serves as a member of the Nominating Committee.

Mr Seow is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators 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). He is a past Council Member of MAICSA (Chartered Secretaries Malaysia) and is currently the Chairman of its Audit Committee.

He 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 various senior positions in the private and public sectors, including his position as General Manager of the Financial Reporting Surveillance and Compliance Department of the Securities Commission of Malaysia.

Mr Seow is an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad and the Independent Non-Executive Chairman of Sersol Berhad. He was also an Independent Non-Executive Director of Affin Investment Bank Berhad from April 2004 to September 2011 and a past Independent Non-Executive Director of Malaysia Pacific Corporation Berhad, ING Insurance Berhad and ING Funds 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 2013.

DATUK ABDULLAH BIN ABDUL WAHAB

KMN, DPSJ, PJN

Independent Non-Executive Director

Datuk Abdullah bin Abdul Wahab, aged 63, 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. He is also the Senior Independent Non-Executive Director of Warisan TC Holdings Berhad and the Chairman of the Nominating 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 2013.

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.

CORPORATE GOVERNANCE STATEMENT

The Board of Warisan TC Holdings Bhd ("Company") recognises the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Directors consider corporate governance to be synonymous with four (4) key concepts, namely transparency, accountability, integrity as well as corporate performance.

As such, the Board seeks to embed in the Group a culture that aims to balance conformance requirements with the need to deliver long-term strategic success through performance, without compromising on personal or corporate ethics and integrity.

This corporate governance statement ("Statement") sets out how the Company has applied the 8 Principles of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and observed the 26 Recommendations supporting the Principles during the financial year. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

Principle 1 - Establish clear Roles and Responsibilities of the Board and Management

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
- overseeing the conduct of the Group's business and evaluating whether or not its businesses are being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- overseeing the development and implementation of a shareholder communications policy; and
- reviewing the adequacy and integrity of the Group's internal control and management information systems.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee and Nominating Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

I Board Charter

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands.

Key matters reserved for the Board include, inter-alia, the approval of annual budgets, quarterly and annual financial statements for announcement, investment and divestiture, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter, which serves as a reference point for Board activities. The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The salient features of the Board Charter are publicly available on the Company's website at *www.warisantc.com.my* in line with Recommendation 1.7 of the MCCG 2012.

II Code of Ethics

The Board has formalised a Directors' Code of Ethics setting out the standards of conduct expected from Directors. The Directors' Code of Ethics is made available on the Company's website at *www.warisantc.com.my*. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees, which has been communicated to all levels of employees in the Group.

The Board has also formalised a Special Complaint Policy, which is equivalent to a whistle-blowing policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.

CORPORATE GOVERNANCE STATEMENT

III Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. The Group also embraces sustainability in its operations and supply chain, through its own actions as well as in partnership with its stakeholders, including suppliers, customers and other organisations.

The Group's activities on corporate social responsibilities for the financial year under review are disclosed on page 30 of this Annual Report.

IV Access to Information and Advice

The Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least seven (7) days prior to the Board and Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties.

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

Principle 2 - Strengthen Composition of the Board

The Board consists of six (6) members, comprising three (3) Executive Directors and three (3) Independent Non-Executive Directors. This composition fulfills the requirements as set out under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 14 to 16 of this Annual Report. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering; finance; accounting and audit; and marketing and operations.

I Nominating Committee – Selection and Assessment of Directors

On 23 January 2013, the Board established a Nominating Committee as it recognises the importance of the roles the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions. The Nominating Committee comprises the following members:

- Datuk Abdullah bin Abdul Wahab (Chairman and Senior Independent Non-Executive Director);
- Seow Thiam Fatt (Independent Non-Executive Director); and
- Dato' Chong Kwong Chin (Independent Non-Executive Director).

The Board has stipulated specific terms of reference for the Nominating Committee, which cover, inter-alia, assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees and training programmes for the Board. The terms of reference require the Nominating Committee to review annually the required mix of skills and experience of Directors; succession plans and board diversity, including gender diversity; training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Committee is also entrusted to assess annually the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director. Insofar as board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. The evaluation of the suitability of candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

The Nominating Committee shall meet at least once (1) a year or more frequently as deemed necessary by the Chairman. During the financial year under review, the Nominating Committee held two (2) meetings whereby the Nominating Committee considered and recommended the re-designation of an Executive Director to Chief Executive Officer and the extension of service contract of the Executive Chairman. All members attended the meetings.

On 13 February 2014, the Nominating Committee met to review and assess the effectiveness of the Board as a whole, the Board Committee and the performance of individual Directors as well as to assess the independence of the Independent Directors based on the self and peer assessment approach. In assessing the Individual Directors' performance, the Nominating Committee considered, inter-alia, the contribution, performance, competency, personality, integrity and time commitment of each Director to effectively discharge his role as a Director of the Company. From the results of the assessment, including the mix of skills and experience possessed by the Directors, and based on the Nominating Committee's recommendation, the Board recommended the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting. The Nominating Committee also assessed the training needs of each Director of the Company and recommended suitable training courses for the Directors.

II 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. The Board, as a whole, determines and recommends the remuneration packages of Independent Non-Executive Directors subject to an aggregate amount not exceeding RM250,000 per annum, the sum of which was approved by shareholders at the 4th Annual General Meeting of the Company in 2001 and Executive Directors with the Directors concerned abstaining from discussions on their individual remuneration.

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 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 2013 are as follows:

	***Executive Directors (RM)**	**Non-Executive Directors (RM)**
Directors' fee	-	130,680
Salaries & allowances	1,306,800	41,600
Bonus	553,846	-
Benefits in kind	138,891	-
Total	1,999,537	172,280

Range of remuneration	**Executive**	**Non-Executive**
RM50,001 to RM100,000	-	3
RM950,001 to RM1,000,000	1	-
RM1,000,001 to RM1,050,000	1	-
Total	2	3

* *The Executive Director, Mr Tan Keng Meng, received his remuneration from TC Management Services Corporation Sdn Bhd, a corporation which provided management services to the Company.*

CORPORATE GOVERNANCE STATEMENT

Principle 3 – Reinforce Independence of the Board

The Company has an Executive Chairman who is primarily responsible for setting the Group's strategic direction and leading the Board in the oversight of management. The role of day-to-day management of the Group's business development and operations and implementation of policies and decisions of the Board is helmed by the Chief Executive Officer and the Executive Director. The Board believes that such division of power and responsibilities helps to ensure that no one person in the Board has unfettered powers to make major decisions for the Company unilaterally.

While the position of the Chairman is not held by an Independent Non-Executive Director, the Board has three (3) Independent Non-Executive Directors, constituting fifty percent (50%) of the composition of the Board. The Board acknowledges the importance of balance of power and authority of the Board and has identified Datuk Abdullah bin Abdul Wahab as the Company's Senior Independent Non-Executive Director, to whom concerns may be conveyed by fellow Directors, shareholders and other stakeholders.

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

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

The Nominating Committee assesses the independence of the Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa. The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Director and thereafter he may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as an Independent Non-Executive Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Nominating Committee is required to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence adopted by the Board.

Following an assessment and recommendation by the Nominating Committee, the Board recommended that Mr Seow Thiam Fatt who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years as at the end of the financial year under review, be retained as an Independent Non-Executive Director, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. Key justifications for retaining him as an Independent Non-Executive Director are as follows:

- he fulfils the criteria under the definition on Independent Director as stated in the Listing Requirements of Bursa and, therefore, is able to bring independent and objective judgment to the Board;
- his experience in the relevant industries enable him to provide the Board and Audit Committee, as the case may be, with pertinent and a diverse set of expertise, skills and competence; and
- he has been with the Company long and therefore understands the Company's business operations which enable him to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings, as the case may be.

Principle 4 – Foster commitment of Directors

The Board ordinarily meets at least five (5) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committee papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committee members at least seven (7) days before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings. During the financial year under review, the Board convened five (5) Board meetings attended by all the Directors.

As stipulated in the Board Charter, the Directors shall devote sufficient time and efforts to carry out their responsibilities. The Board shall obtain this commitment from Directors at the time of appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board or Board Committees.

Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact of such regulatory requirements have on the Group.

All Directors have completed the Mandatory Accreditation Programme. During the financial year under review, all Directors attended development and training programmes. The continuous education programmes attended by the Directors during the financial year ended 31 December 2013 include the following:

Name of Director	***Details of Programme***
Dato' Tan Heng Chew	• KPMG: Malaysian Financial Reporting Standards ("MFRS") Update 2013 Seminar • Tan Chong Group : Highlights of 2014 Budget and GST Briefing
Ngu Ew Look	• Tan Chong Group : Goods and Services Tax Briefing • Perdana Leadership Foundation : Perdana Leadership Foundation CEO Forum 2013 • Malaysian Institute of Corporate Governance ("MICG") : Director Duties, Business Ethics and Governance Seminar for Directors of PLCs 2013 • KPMG : MFRS Update 2013 Seminar
Tan Keng Meng	• Tan Chong Group : Goods and Services Tax Briefing • Minority Shareholder Watchdog Group : Special Dialogue & Presentation Session on Asean CG Scorecard 2013 • KPMG : MFRS Update 2013 Seminar
Seow Thiam Fatt	• Malaysian Institute of Accountants ("MIA") and Institute of Internal Auditors Malaysia ("IIAM") : Audit Committee Conference 2013 – Powering for Effectiveness • Tan Chong Group : Goods and Services Tax Briefing • Bursa Malaysia : Investors Relation Conference 2013 • Iclif Leadership and Governance Centre: Nominating Committee Programme (A Joint Program with Bursa Malaysia) • MICG : Audit Committee Seminar – Improving Audit Committee Effectiveness • Inland Revenue Board and Chartered Tax Institute of Malaysia : National Tax Conference 2013 – Managing The Tax Ecosystem • MICG : Corporate Fraud Control Conference 2013 – Tools and Strategies to Prevent Corporate Fraud • Bursa Malaysia's Half Day Governance Programme : Advocacy Sessions on Corporate Disclosure for Directors • KPMG : MFRS Update 2013 Seminar • BDO: Budget 2014 Seminar – Moving Ahead Regionally • MIA Conference 2013

CORPORATE GOVERNANCE STATEMENT

Name of Director	*Details of Programme*
Datuk Abdullah bin Abdul Wahab	• Tan Chong Group : Goods and Services Tax Briefing • Iclif Leadership and Governance Centre : Nominating Committee Program (A Joint Program with Bursa Malaysia) • Bursa Malaysia's Half Day Governance Programme : Advocacy Sessions on Corporate Disclosure for Directors • KPMG : MFRS Update 2013 Seminar • Tan Chong Group : Highlights of 2014 Budget and GST Briefing
Dato' Chong Kwong Chin	• MIA/IIAM : Audit Committee Conference 2013 – Powering for Effectiveness • KPMG : MFRS Update 2013 Seminar • Seminar Percukaian Kebangsaan 2013 • MIA Conference 2013 • Tan Chong Group : Highlights of 2014 Budget and GST Briefing

The Company Secretaries normally circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference. The Group Financial Controller and External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

Principle 5 – Uphold integrity in financial reporting by the Company

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the Executive Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Independent Non-Executive Directors, with Dato' Chong Kwong Chin as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 24 to 26 of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965, as the case may be. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

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

In assessing the independence of external auditors, the Audit Committee received a written assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

CORPORATE GOVERNANCE STATEMENT

Principle 6 – Recognise and manage risks of the Group

The Board has established an Enterprise Risk Management ("ERM") framework to identify and manage significant risks of the Group to address key risks to Group's operations and strategic mission. For the effective implementation of ERM, the Board has formed a Risk Management Committee which is headed by an Executive Director and comprising key management personnel from respective business divisions. The Risk Management Committee reports to the Board, via the Audit Committee, on key risks identified and the implementation of action plans to mitigate the risks.

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Company has in place a Systems & Internal Audit ("SIA") function, which reports directly to the Audit Committee on the effectiveness of the current system of internal controls from the perspectives of governance, risks and controls. All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors. The in-house SIA function is independent of the activities it audits and the scope of work covered by the SIA during the financial year under review is provided in the Audit Committee Report set out on pages 24 to 26 of this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board is taking steps to formalise pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

To augment the process of disclosure, the Board has provided a section for corporate governance on the Company's website where information on the Company's announcements to the regulators, the Board Charter, rights of shareholders and the Company's Annual Report may be accessed.

Principle 8 – Strengthen relationship between the Company and its shareholders

I Shareholder participation at general meeting

The Annual General Meeting ("AGM"), which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman of the meeting invited shareholders to raise questions with responses from the Board and Senior Management.

The Notice of AGM is circulated at least twenty-one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa on the same meeting day.

II Communication and engagement with shareholders and investors

The Board recognises the importance of being transparent and accountable to the Company's investors. 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. The various channels of communications are through the quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at *www.warisantc.com.my* where shareholders can access corporate information, annual reports, press releases, financial information, and company announcements. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. *corporate@wtch.com.my* to which stakeholders can direct their queries or concerns.

This Statement is dated 8 April 2014.

AUDIT COMMITTEE REPORT

COMPOSITION AND MEETINGS

The composition of the Audit Committee ("the Committee") and the attendance of its members at the five (5) meetings held in 2013 are set out below:

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

TERMS OF REFERENCE

Membership

The Committee shall be appointed by the Board of Directors (the "Board") from amongst the Directors and shall comprise 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 Malaysia").

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 ("Listing Requirements") of Bursa Malaysia, 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 authorised by the Board, and at the cost of the Company, to:

(1) investigate any matter within its Terms of Reference;

(2) have the resources which are required to perform its duties;

(3) have full and unrestricted access to any information pertaining to the Company or the Group;

(4) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

(5) be able to obtain independent professional or other advice; and

(6) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees, whenever deemed necessary.

AUDIT COMMITTEE REPORT

Functions

The functions of the Committee shall be, amongst others, to:

(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 programmes, processes, the results of the internal audit programmes, 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 established by professional bodies 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) assess, review and monitor the suitability and independence of external auditors, including obtaining written assurance from external auditors confirming they are, and have been, independent throughout the conduct of audit engagement in accordance with the terms of all relevant professional and regulatory requirements;

(4) 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;

(5) set policy on non-audit services which may be provided by the external auditors and conditions and procedures which must be adhered by the external auditors in the provision of such services;

(6) approval of non-audit services provided by external auditors;

(7) consider the major findings of internal investigations and management's response;

(8) 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; and

(9) 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(ies) 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(ies) 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.

AUDIT COMMITTEE REPORT

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(ies) shall record the proceeding of meetings. Minutes shall be circulated to all members of the Board.

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

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

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 & recommended the re-appointment of external auditors as auditors and the payment of audit fees for the Board's consideration.
- reviewed the Company's compliance with regard to the Listing Requirements of Bursa Malaysia 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 AND SUMMARY OF ACTIVITIES

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 relevant external rules and regulations.
- reviewed the adequacy and effectiveness of the Group's internal control system, reported findings, and made recommendations to improve their effectiveness and efficiency.
- other ongoing assurance and advisory work to the Board and management.

INTERNAL CONTROL STATEMENT

Board Responsibility

The Board has overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets. Due to the inherent limitations in any system of risk management and internal control, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. In pursuing these objectives, it can only provide reasonable, but not absolute, assurance against material misstatement 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 for adherence by personnel in the Group;
- Business planning and budgeting process for business units with periodical monitoring of performance so that major variances are followed up and management action taken;
- The Group's performance is reviewed and deliberated by the Board on a quarterly basis with financial performance variances presented;
- Justification and approval process for major expenditures to ensure congruence with the Company's strategic objectives; and
- Independent appraisals by internal auditors to ensure ongoing compliance with policies and procedures whilst assessing the effectiveness of the Group's system of financial, compliance, environmental 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.

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

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

- Establishment of a Risk Management Committee ("RMC") which is headed by an Executive Director and comprising key management personnel from respective business divisions. The RMC is entrusted with the responsibility to identify and communicate to the Board through the Audit Committee on the risks that the Group faces, their changes and management action plans to mitigate the risks. Minutes of RMC meetings are presented to the Audit Committee and the Board for notation;
- 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; and
- Updates on Corporate Risk Scorecards by the heads of business division. The high risks and significant controls are subject to regular reviews.

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

INTERNAL CONTROL STATEMENT

Internal Audit Function

An in-house internal audit function supports the Audit Committee, and by extension, the Board, by providing independent and objective assurance on the adequacy and effectiveness of the Group's system of internal control. Internal audit appraises and contributes towards improving the Group's risk management and control system. The internal audit activities are guided by an annual internal audit plan, which is approved by the Audit Committee, and internal audit reports are tabled to the Audit Committee for review on a quarterly basis. Internal audit also follows up on the status of Management's action plans on audit findings to ensure that they are promptly implemented. The total costs incurred for the internal audit function in respect of the financial year 2013 amounted to about RM641,000.

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

Conclusion

During the year, there were no material losses that resulted from a breakdown in internal control.

On the basis of review of the Group's system of risk management and internal control, the Board is of the view that the system, which is in place for the year under review and up to the date of this Annual Report, is adequate to achieve the Group's business objectives.

The Board has received assurance from the Management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the frameworks adopted by the Group.

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 26,100 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 back and held shares bought as treasury shares	Highest price paid per share (RM)	Lowest price paid per share (RM)	Average price paid per share (RM)	Total consideration* (RM)
May	100	2.76	2.76	2.76	317.09
July	25,500	2.78	2.78	2.78	71,407.61
November	500	2.90	2.90	2.90	1,492.44
Total	**26,100**				**73,217.14**

Note: * including transaction costs

All the shares bought back during the financial year are held as treasury shares. As at 31 December 2013, a total of 2,095,500 shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

(iii) Option, warrants or convertible securities

There were no options, warrants or 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 RM67,959.

(vii) Variance in results

There was no significant variance between the results of 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.

ADDITIONAL COMPLIANCE INFORMATION

(xi) 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 acknowledges the importance of Corporate Social Responsibility ("CSR") towards the community, workplace, environment and market place and has continuously made CSR as an integral part of business and the way it conducts business.

During the year, the Group's employees continued to be committed fund-raisers to a variety of different charitable causes by taking part in some events including Guardian's Annual Charity Walkathon 2013 – Walk For A Cause; Setia Eco Walkathon and NTV 7 Feel Good Run. Contributions collected from these events were donated to the Global Environment Centre (a non-profit organisation), orphanage home, HOSPIS Malaysia and other charitable organisations.

Several community activities were organised for the under privileged children and contribution in cash and kind were donated to them. For the second time, we paid a visit to Rumah Persatuan Kebajikan Kanak-kanak Istimewa Insan located in Kuala Lumpur. This home caters for under privileged children with epilepsy, hyperactive, Asperger or autism syndromes. During the year, we also co-sponsored single parent children from Sungai Chua School, Kajang, to a fun-filled outing to Petrosains KLCC.

The Group's continued business success depends on an engaged workforce that is able to meet the challenges of a rapidly changing marketplace. The Group believes that the human capital is the most important value to an organisation. As part of the human capital development, various in-house training programmes were provided to employees to improve their technical competencies, leadership qualities, language proficiency and update their respective fields of expertise. An educational assistance program was offered to eligible employees to pursue their higher level of studies in local and private universities. In recognising their loyalty and services towards the Group, Long Service Award was also given to those employees who have served the Group for 10 years and above. In-house sport activities such as yoga, futsal, badminton and indoor games were also organised throughout the year to foster closer working relationship and teamwork among the employees.

The Group strives to ensure that the Group's business activities comply with applicable environmental standards, rules and regulations. An environmentally-conscious work practices are promoted throughout the Group in order to reduce environmental impact, enhance energy efficiency and recycling whenever possible to conserve natural resources. In conjunction with TCIM Sdn Bhd's 30th Anniversary celebration in September 2013, staffs from the company, including from all its 16 branches throughout Malaysia, participated in an event, dinner and party together with an overnight stay in Port Dickson, Negeri Sembilan. After the event, a total of 300 employees were involved in a beach cleaning exercise at Glory Beach. This programme aimed to create greater care for the environment and also enhance staffs' relationship especially between branches and head office.

The Group values its business ties with all its customers, business partners and other stakeholders in the market place through constantly striving to meet their needs and want in terms of providing good products and services, develop good relationship by offering, creating solutions to grow their businesses and to operate in a mutually beneficial way. Steps were also taken to provide assistance and technical support and to promote ethical business practices to the business partners to ensure that they continue to provide excellent customer service.

SHAREHOLDERS' STATISTICS
AS AT 31 MARCH 2014

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	1,948	35.73	89,430	0.13
100 - 1,000	2,615	47.96	876,402	1.30
1,001 - 10,000	696	12.77	2,395,251	3.57
10,001 - 100,000	139	2.55	4,462,431	6.64
100,001 - 3,255,224 (less than 5% of issued shares)	52	0.95	31,339,616	46.64
3,255,225 (5% of issued shares) and above	2	0.04	25,941,370	38.60
Sub-Total	5,452	100.00	65,104,500	96.88
Treasury shares			2,095,500	3.12
Total	**5,452**	**100.00**	**67,200,000**	**100.00**

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

	Name	Direct No. of Shares Held	% (1)	Indirect No. of Shares Held	% (1)
1.	Dato' Tan Heng Chew	4,278,633	6.57	32,182,114	49.43 (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 31 MARCH 2014

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

	Name	Direct No. of Shares Held	% [(4)]	Indirect No. of Shares Held	% [(4)]
1.	Tan Chong Consolidated Sdn Bhd	24,302,670	37.33	696,025	1.07 [(1)]
2.	Dato' Tan Heng Chew	4,278,633	6.57	29,396,695	45.15 [(2)]
3.	Wealthmark Holdings Sdn Bhd	4,398,000	6.76	-	-
4.	Tan Eng Soon	-	-	29,396,695	45.15 [(2)]
5.	Tan Kheng Leong	10,000	0.02	24,998,695	38.40 [(3)]

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 interest in TCC pursuant to Section 6A of the Act.

(4) Percentage is based on issued shares less treasury shares.

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
1.	Tan Chong Consolidated Sdn Bhd	21,861,070	33.58
2.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for The Bank of New York Mellon SA/NV (BDS Jersey)*	4,080,300	6.27
3.	Tan Chong Consolidated Sdn Bhd	2,371,600	3.64
4.	Tan Kim Hor	2,359,321	3.62
5.	Citigroup Nominees (Asing) Sdn Bhd *CBHK for Platinum Broking Company Limited (Client a/c)*	2,300,000	3.53
6.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Tan Heng Chew (MM1063)*	2,262,100	3.47
7.	Wealthmark Holdings Sdn Bhd	2,222,100	3.41
8.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Khor Swee Wah @ Koh Bee Leng (PBCL-0G0031)*	1,375,169	2.11
9.	Wealthmark Holdings Sdn Bhd	1,222,000	1.88
10.	Key Development Sdn Berhad	1,130,000	1.74
11.	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Khor Swee Wah @ Koh Bee Leng (SIN 7029-9)*	1,100,000	1.69
12.	Wealthmark Holdings Sdn Bhd	953,900	1.47
13.	Pang Sew Ha @ Phang Sui Har	794,720	1.22
14.	Wong Yu @ Wong Wing Yu	730,000	1.12
15.	HSBC Nominees (Tempatan) Sdn Bhd *Exempt AN for HSBC (Malaysia) Trustee Berhad (D09-6061)*	696,025	1.07

SHAREHOLDERS' STATISTICS
AS AT 31 MARCH 2014

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
16.	Gan Teng Siew Realty Sdn Berhad	692,500	1.06
17.	Tan Boon Pun	620,876	0.95
18.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (8041121)*	601,200	0.92
19.	Chinchoo Investment Sdn Berhad	583,700	0.90
20.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (E-KLC)*	561,300	0.86
21.	Tan Ban Leong	546,368	0.84
22.	Tan Beng Keong	546,368	0.84
23.	Tan Chee Keong	546,368	0.84
24.	Tan Hoe Pin	546,368	0.84
25.	Key Development Sdn Berhad	358,900	0.55
26.	Rengo Malay Estate Sendirian Berhad	330,000	0.51
27.	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew (473963)*	325,000	0.50
28.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for Citibank NA, Singapore (Julius Baer)*	310,250	0.48
29.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Heng Chew*	296,300	0.46
30.	Chan Kim Sendirian Berhad	294,600	0.45
	TOTAL	**52,618,403**	**80.82**

Note :

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

GROUP PROPERTIES
AS AT 31 DECEMBER 2013

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	1.5	37	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	4.1	21	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	17	12.12.1996	-
19 Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	0.6	21	20.5.2000	-
Lot 1A Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2058	42.6	39	10.9.2004	2013
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	7.4	21	2.3.2004	-
Lot 22, Ground Floor Wisma Sabah Jalan Tun Razak 88000 Kota Kinabalu Sabah	Office lot	-	595	Leasehold 31.12.2072	0.2	36	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	2.6	13	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	9.8	6	6.6.2008	2008
610 Jalan Nilai 3/15 Kawasan Perindustrian Nilai 3 71800 Nilai, Negeri Sembilan	Industrial building	3,003	3,003	Freehold	0.3	14	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	2.6	3	2.12.2009	-

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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 2013, 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 2013

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 2013.

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	34,003	15,831
Attributable to:		
Owners of the Company	34,221	15,831
Non-controlling interests	(218)	-
	34,003	15,831

DIVIDENDS

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

	RM'000
A final dividend of 6 sen less tax at 25%, in respect of the financial year ended 31 December 2012, on 20 June 2013	2,931
An interim dividend of 6 sen less tax at 25%, in respect of the financial year ended 31 December 2013, on 30 September 2013	2,930
	5,861

At the forthcoming Annual General Meeting ("AGM"), the Directors proposed the payment of a final single tier dividend of 4.5 sen in respect of the financial year ended 31 December 2013 amounting to a dividend payable of approximately RM2.9million. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

TREASURY SHARES

At the AGM held on 17 May 2006, the shareholders approved share buy-back of up to 10% of the Company's issued and paid up share capital ie. 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 23 May 2013. The authority will expire at the conclusion of the forthcoming AGM.

Shares buy-back transactions made by the Company until 31 December 2013 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
2012	30,200	2.57	77,612
2013	26,100	2.81	73,217
	2,095,500		4,201,417

The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

DIRECTORS

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

Dato' Tan Heng Chew
Ngu Ew Look
Tan Keng Meng
Dato' Chong Kwong Chin
Seow Thiam Fatt
Datuk Abdullah bin Abdul Wahab

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

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 1.1.2013	**Addition**	**Disposal**	**At 31.12.2013**
Dato' Tan Heng Chew				
- direct interest	4,222,033	56,600	-	4,278,633
- indirect interest ^	30,878,879	-	1,552,184*	29,326,695
- indirect interest #	2,785,419	-	-	2,785,419
Ngu Ew Look				
- direct interest	10,000	-	-	10,000
Tan Keng Meng				
- direct interest	100	-	-	100
Seow Thiam Fatt				
- direct interest	9,000	-	-	9,000

^ *Indirect interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd pursuant to Section 6A of the Companies Ac, 1965.*

* *Release of shares by way of the 5th installment to the exiting minority shareholders of TCC named in the Court Order and Compromise and Settlement Agreement dated 22 June 2009 as amended by a Supplemental Agreement dated 28 July 2009 entered into between and amongst TCC and all of its shareholders.*

Include disclosure of interest held by spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.

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 2013 had 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) 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 have arisen from transactions disclosed in Note 30(c) to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the Directors 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

Before the financial statements 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.

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.

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

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

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

No contingent or other liability of the Company or its 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.

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

In the opinion of the Directors, except for those disclosed in the financial statements:

(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 8 April 2014

NGU EW LOOK
Director

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 2013 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 42 to 112.

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 Malaysian Financial Reporting Standards, International 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 Malaysian Financial Reporting Standards, International 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 at 31 December 2013 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD (CONTINUED)

Other Reporting Responsibilities

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

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

YAP CHING SHIN
No. 2022/03/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 8 April 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	2	202,159	207,213	205,627
Investment property	3	42,600	33,100	22,700
Investments accounted for using the equity method	5	31,727	29,704	26,503
Intangible assets	6	9,131	9,131	9,131
Deferred tax assets	7	734	548	520
Finance lease receivables	8	3,471	4,395	7,252
Other investments	9	10	10	10
Total non-current assets		289,832	284,101	271,743
CURRENT ASSETS				
Inventories	10	158,516	117,685	93,271
Trade and other receivables	11	117,870	106,430	102,320
Derivative financial assets	12	366	35	118
Current tax assets		5,877	7,546	5,452
Cash and bank balances	13	109,540	84,653	89,346
Total current assets		392,169	316,349	290,507
TOTAL ASSETS		682,001	600,450	562,250

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONTINUED)

	Note	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
EQUITY AND LIABILITIES EQUITY				
EQUITY				
Share capital	15	67,200	67,200	67,200
Share premium		615	615	615
Treasury shares	16	(4,201)	(4,128)	(4,051)
Merger reserve	17	(41,614)	(41,614)	(41,614)
Translation reserve	17	562	(228)	181
Hedging reserve	17	198	(284)	(48)
Revaluation reserve	17	12,205	12,205	12,205
Retained earnings		264,761	236,153	212,391
Total equity attributable to owners of the Company		299,726	269,919	246,879
Non-controlling interests		182	400	404
TOTAL EQUITY		299,908	270,319	247,283
NON-CURRENT LIABILITIES				
Loans and borrowings	18	43,025	57,931	85,635
Retirement benefit obligations	19	2,434	2,348	2,043
Deferred tax liabilities	7	16,766	20,015	17,819
Total non-current liabilities		62,225	80,294	105,497
CURRENT LIABILITIES				
Trade and other payables	20	95,356	93,227	78,822
Loans and borrowings	21	222,286	154,144	128,887
Current tax liabilities		2,097	2,052	1,579
Derivative financial liabilities	12	129	414	182
Total current liabilities		319,868	249,837	209,470
TOTAL LIABILITIES		382,093	330,131	314,967
TOTAL EQUITY AND LIABILITIES		682,001	600,450	562,250

Notes to and forming part of the financial statements are set out on pages 54 to 112.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 RM'000	2012 RM'000 (restated)
Revenue	22	483,662	453,199
Cost of sales		(346,220)	(333,705)
Gross profit		137,442	119,494
Other income		2,602	3,346
Selling and distribution expenses		(49,707)	(45,292)
Administrative and general expenses		(53,641)	(47,329)
Profit from operations	23	36,696	30,219
Finance income		2,109	1,890
Finance costs	24	(9,714)	(10,205)
Net finance costs		(7,605)	(8,315)
Fair value gain on investment property		9,500	10,400
Share of profit of equity accounted investment, net of tax		4,316	4,940
Profit before tax		42,907	37,244
Tax expense	25	(8,904)	(7,597)
Profit for the year		34,003	29,647

Notes to and forming part of the financial statements are set out on pages 54 to 112.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013 RM'000**	**2012 RM'000 (restated)**
Profit for the year		34,003	29,647
Other comprehensive income / (loss), net of tax:			
Items that are or may be reclassified subsequently to profit or loss:			
Change in fair value of cash flow hedge		482	(236)
Foreign currency translation differences for foreign operations		790	(409)
		1,272	(645)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations		248	(27)
Other comprehensive income / (loss) for the year, net of tax	*26*	1,520	(672)
Total comprehensive income for the year		35,523	28,975
Profit attributable to:			
Owners of the Company		34,221	29,651
Non-controlling interests		(218)	(4)
Profit for the year		34,003	29,647
Total comprehensive income attributable to:			
Owners of the Company		35,741	28,979
Non-controlling interests		(218)	(4)
Total comprehensive income for the year		35,523	28,975
Basic earnings per share (sen)	*27*	52.55	45.52
Dividend per share (net of tax) (sen)	*28*	9.0	9.0

Notes to and forming part of the financial statements are set out on pages 54 to 112.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

		Attributable to owners of the Company										
		Non-distributable							Distributable			
	Note	**Share capital RM'000**	**Share premium RM'000**	**Treasury shares RM'000**	**Merger reserve RM'000**	**Translation reserve RM'000**	**Hedging reserve RM'000**	**Revaluation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2012												
- as previously stated		67,200	615	(4,051)	(41,614)	181	(48)	12,205	219,386	253,874	413	254,287
- effect of adoption of MFRS 11	*37*	-	-	-	-	-	-	-	(7,212)	(7,212)	-	(7,212)
- effect of adoption of MFRS 119 (revised)	*37*	-	-	-	-	-	-	-	217	217	(9)	208
At 1 January 2012 - restated		67,200	615	(4,051)	(41,614)	181	(48)	12,205	212,391	246,879	404	247,283
Foreign currency translation differences for foreign operations		-	-	-	-	(409)	-	-	-	(409)	-	(409)
Remeasurement of defined benefit obligations		-	-	-	-	-	-	-	(27)	(27)	-	(27)
Change in fair value of cash flow hedge		-	-	-	-	-	(236)	-	-	(236)	-	(236)
Total other comprehensive income for the year		-	-	-	-	(409)	(236)	-	(27)	(672)	-	(672)
Profit for the year		-	-	-	-	-	-	-	29,651	29,651	(4)	29,647
Total comprehensive income for the year		-	-	-	-	(409)	(236)	-	29,624	28,979	(4)	28,975
Purchase of treasury shares	*16*	-	-	(77)	-	-	-	-	-	(77)	-	(77)
Dividends to owners of the Company	*28*	-	-	-	-	-	-	-	(5,862)	(5,862)	-	(5,862)
At 31 December 2012 (restated)		67,200	615	(4,128)	(41,614)	(228)	(284)	12,205	236,153	269,919	400	270,319
At 1 January 2013 (restated)		67,200	615	(4,128)	(41,614)	(228)	(284)	12,205	236,153	269,919	400	270,319
Foreign currency translation differences for foreign operations		-	-	-	-	790	-	-	-	790	-	790
Remeasurement of defined benefit obligations		-	-	-	-	-	-	-	248	248	-	248
Change in fair value of cash flow hedge		-	-	-	-	-	482	-	-	482	-	482
Total other comprehensive income for the year		-	-	-	-	790	482	-	248	1,520	-	1,520
Profit for the year		-	-	-	-	-	-	-	34,221	34,221	(218)	34,003
Total comprehensive income for the year		-	-	-	-	790	482	-	34,469	35,741	(218)	35,523
Purchase of treasury shares	*16*	-	-	(73)	-	-	-	-	-	(73)	-	(73)
Dividends to owners of the Company	*28*	-	-	-	-	-	-	-	(5,861)	(5,861)	-	(5,861)
At 31 December 2013		67,200	615	(4,201)	(41,614)	562	198	12,205	264,761	299,726	182	299,908

Notes to and forming part of the financial statements are set out on pages 54 to 112.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 RM'000	2012 RM'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	42,907	37,244
Adjustments for:		
Allowance for doubtful debts, net of write backs	1,746	472
Bad debts written off	70	45
Fair value adjustment on investment property	(9,500)	(10,400)
Depreciation	49,667	48,290
Gain on disposal of property, plant and equipment	(971)	(1,079)
Gain on disposal of assets held for rental	(20,911)	(1,791)
Interest expense	9,714	10,205
Interest income	(2,109)	(1,890)
Inventories written down, net of write back	972	967
Inventories written off	2	-
Property, plant and equipment written off	22	37
Retirement benefits expense	705	340
Unrealised loss on foreign exchange (net)	99	103
Share of profit of equity accounted investments, net of tax	(4,316)	(4,940)
Operating profit before working capital changes	68,097	77,603
Changes in inventories	(42,073)	(25,305)
Changes in receivables	(12,332)	(1,950)
Changes in payables	2,129	14,302
Cash generated from operations	15,821	64,650
Proceeds from disposal of assets held for rental	37,293	3,298
Tax paid, net of refunds	(10,968)	(6,961)
Retirement benefits paid	(110)	(72)
Net cash generated from operating activities	42,036	60,915
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(53,663)	(56,508)
Proceeds from disposal of property, plant and equipment	6,712	6,264
Dividend received from jointly controlled entities	2,509	1,663
Interest received	2,109	1,890
Net cash used in investing activities	(42,333)	(46,691)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	2013 RM'000	2012 RM'000 (restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank term loans	20,000	20,000
Repayment of bank term loans	(46,781)	(42,995)
Drawdown of revolving credits	247,500	116,000
Repayment of revolving credits	(238,000)	(84,000)
Drawdown of bankers' acceptances	200,755	276,356
Repayment of bankers' acceptances	(143,928)	(287,808)
Repayment of hire purchase financing	(434)	-
Dividends paid	(5,861)	(5,862)
Interest paid	(9,714)	(10,205)
Treasury shares acquired	(73)	(77)
Net cash generated from/(used in) financing activities	23,464	(18,591)
NET CHANGES IN CASH AND CASH EQUIVALENTS	23,167	(4,367)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	84,653	89,346
Effects of exchange rate fluctuation on cash and cash equivalents	508	(326)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	108,328	84,653
Represented by:		
Short term deposits	12,227	13,666
Fixed deposits with licensed banks	39,873	22,893
Cash at bank and in hand	57,440	48,094
Bank overdraft	(1,212)	-
	108,328	84,653

Notes to and forming part of the financial statements are set out on pages 54 to 112.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	31.12.2013 RM'000	31.12.2012 RM'000 (restated)	1.1.2012 RM'000 (restated)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	2	1,021	995	989
Investment property	3	-	-	22,700
Investment in subsidiary companies	4	166,120	130,208	128,422
Investment in jointly controlled entities	5	24,568	24,568	24,568
Deferred tax assets	7	-	5	51
Total non-current assets		191,709	155,776	176,730
CURRENT ASSETS				
Trade and other receivables	11	9,019	6,510	5,602
Current tax assets		4,581	4,902	3,531
Cash and bank balances	13	3,451	3,205	4,546
		17,051	14,617	13,679
Asset classified as held for sale	14	-	33,100	-
Total current assets		17,051	47,717	13,679
TOTAL ASSETS		208,760	203,493	190,409
EQUITY AND LIABILITIES				
EQUITY				
Share capital	15	67,200	67,200	67,200
Treasury shares	16	(4,201)	(4,128)	(4,051)
Revaluation reserve	17	-	930	930
Retained earnings		125,154	114,254	101,117
TOTAL EQUITY		188,153	178,256	165,196
NON-CURRENT LIABILITIES				
Bank term loan	18	2,162	8,649	15,135
Retirement benefit obligations	19	187	164	181
Deferred tax liabilities		63	-	-
Total non-current liabilities		2,412	8,813	15,316
CURRENT LIABILITIES				
Trade and other payables	20	11,709	9,938	5,032
Bank term loan	21	6,486	6,486	4,865
Total current liabilities		18,195	16,424	9,897
TOTAL LIABILITIES		20,607	25,237	25,213
TOTAL EQUITY AND LIABILITIES		208,760	203,493	190,409

Notes to and forming part of the financial statements are set out on pages 54 to 112.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 RM'000	2012 RM'000
Revenue	22	27,575	21,310
Other income		14	472
Fair value gain on investment property		-	10,400
Administrative and general expenses		(10,981)	(11,011)
Profit from operations	23	16,608	21,171
Finance income		201	101
Finance costs	24	(695)	(1,224)
Net finance costs		(494)	(1,123)
Profit before tax		16,114	20,048
Tax expense	25	(283)	(1,049)
Profit for the year		15,831	18,999
Total comprehensive income for the year		15,831	18,999

Notes to and forming part of the financial statements are set out on pages 54 to 112.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	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 2012						
- as previously stated		67,200	(4,051)	930	100,934	165,013
- effect of adoption of MFRS 119 (revised)		-	-	-	183	183
At 1 January 2012 - restated		67,200	(4,051)	930	101,117	165,196
Profit for the year		-	-	-	18,999	18,999
Total comprehensive income for the year		-	-	-	18,999	18,999
Purchase of treasury shares	*16*	-	(77)	-	-	(77)
Dividends to owners of the Company	*28*	-	-	-	(5,862)	(5,862)
At 31 December 2012 (restated)		67,200	(4,128)	930	114,254	178,256
At 1 January 2013 (restated)		67,200	(4,128)	930	114,254	178,256
Profit for the year		-	-	-	15,831	15,831
Total comprehensive income for the year		-	-	-	15,831	15,831
Upon disposal of revalued asset		-	-	(930)	930	-
Purchase of treasury shares	*16*	-	(73)	-	-	(73)
Dividends to owners of the Company	*28*	-	-	-	(5,861)	(5,861)
At 31 December 2013		67,200	(4,201)	-	125,154	188,153

Notes to and forming part of the financial statements are set out on pages 54 to 112.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,114	20,048
Adjustments for:		
Depreciation	195	200
Dividend income	(25,849)	(19,529)
Fair value adjustment on investment property	-	(10,400)
Loss on disposal of property, plant and equipment	11	-
Property, plant and equipment written off	2	1
Impairment in value of investment in subsidiary companies	1,350	2,909
Interest income	(201)	(101)
Interest expense	695	1,224
Provision/(reversal) of retirement benefits	37	(17)
Operating loss before working capital changes	(7,646)	(5,665)
Changes in receivables	(2,509)	(908)
Changes in payables	1,771	4,906
Cash used in operations	(8,384)	(1,667)
Tax refund	863	-
Retirement benefits paid	(14)	-
Net cash used in operating activities	(7,535)	(1,667)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(506)	(216)
Proceeds from disposal of property, plant and equipment	272	9
Proceeds from disposal of investment property	33,100	-
Subscription of additional shares in subsidiary companies	(37,261)	(4,695)
Interest received	201	101
Dividends received from subsidiary companies	22,582	15,492
Dividends received from jointly controlled entities	2,509	1,663
Net cash from investing activities	20,897	12,354

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	2013 RM'000	2012 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(695)	(1,224)
Dividends paid	(5,861)	(5,862)
Treasury shares acquired	(73)	(77)
Repayment of bank term loan	(6,487)	(4,865)
Net cash used in financing activities	(13,116)	(12,028)
NET CHANGES IN CASH AND CASH EQUIVALENTS	246	(1,341)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	3,205	4,546
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	3,451	3,205
Represented by:		
Short term deposits	939	1,486
Fixed deposits with licensed banks	134	129
Cash at bank and in hand	2,378	1,590
	3,451	3,205

Notes to and forming part of the financial statements are set out on pages 54 to 112.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Warisan TC Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business:
3rd Floor
15 Jalan Ipoh Kecil
50350 Kuala Lumpur
Malaysia

Registered office:
62-68 Jalan Ipoh
51200 Kuala Lumpur
Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2013 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in jointly controlled entities.

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.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs"), and the requirements of the Companies Act, 1965 in Malaysia.

The accounting policies set out herein have been applied in preparing the financial statements of the Group and of the Company for the year ended 31 December 2013, together with the comparative information as at and for the year ended 31 December 2012 and the opening statement of financial position at 1 January 2012.

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value measurements are categorised as follows:

Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 : Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : Inputs are unobservable inputs for the asset or liability.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Application of new or revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and interpretations that become effective mandatorily for the accounting periods beginning on or after 1 January 2013.

Except as otherwise indicated below, the adoptions of the new and revised standards, amendments and interpretations do not have significant impact on the financial statements of the Group and of the Company.

MFRS 13, Fair Value Measurement

MFRS 13 sets out a framework for measuring fair value and requires disclosures about fair value measurements. MFRS 13 is applicable to both financial instruments and non-financial instrument items, for which fair value measurement or disclosures about fair value measurements is required or permitted by other MFRS, except for MFRS 2 Share-based Payment, MFRS 117 Leases, net realisable value in MFRS 102 Inventories, or value in use in MFRS 136 Impairment of Assets.

MFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. MFRS 13 has been applied prospectively from its effective date. Other than additional disclosures, the adoption of MFRS 13 does not have significant impact on the amounts recognised in the financial statements.

MFRS 10, Consolidated Financial Statements

According to MFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In previous financial years, an investor controlled an investee when it had the power to govern the financial and operating policies of the investee so as to obtain benefits from the investee. When assessing control in accordance with MFRS 10, an investor also considers potential voting rights and de facto power over the investee.

MFRS 11, Joint Arrangements

MFRS 11, Joint Arrangements establishes the principles for classification and accounting for joints arrangements and supersedes MFRS 131, Interests in Joint Ventures. Under MFRS 11, a joint arrangement may be classified as joint venture or joint operation. Interest in joint venture will be accounted for using the equity method whilst interest in joint operation will be accounted for using the applicable MFRSs relating to the underlying assets, liabilities, income and expense from the joint operations.

Financial effects on the adoption of MFRS 11 are disclosed in Note 37.

MFRS 119, Employee Benefits (revised)

Under the amended MFRS 119, the corridor approach has been eliminated and all actuarial gains and losses are recognised in other comprehensive income as they occur. All current and past service costs have to be immediately recognised in the income statement. Expected return on plan assets and interest costs are replaced with a net interest amount that is calculated by applying the discount rate to the net defined liability/asset. This will replace the finance charge and the expected return on plan assets.

Financial effects on the adoption of MFRS 119 (revised) are disclosed in Note 37.

MFRS 12, Disclosure of Interests in Other Entities

MFRS 12 provides disclosure requirements for all forms of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Disclosures include significant judgements and assumptions made in determining the nature of the entity’s interest in another entity and the risks associated with those interests.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Application of new or revised standards (continued)

MFRS 128, Investments in Associates and Joint Ventures

MFRS 128 prescribes the accounting for investment in associates as well as joint ventures where the equity method of accounting is required in accordance with MFRS 11. The option to proportionately consolidate joint ventures' results and financial position in the venturer's financial statements will no longer be permitted. Accordingly, the investments in jointly controlled entities and jointly controlled operation will be accounted for in the consolidated financial statements using the equity method of accounting. This is applied retrospectively.

Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 require items of other comprehensive income to be categorised as, either (i) items that will not be reclassified subsequently to profit or loss; or (ii) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments to MFRS 101 have been applied retrospectively. Other than changes in presentation of items of other comprehensive income, the adoption of amendments to MFRS 101 does not have significant impact on the amounts recognised in the financial statements.

Amendments to MFRS 116, Property, Plant and Equipment

The amendments to MFRS 116 clarify that spare parts, standby equipment and servicing equipment should be classified as property, plant and equipment if they are held for own use and expected to be used for more than one financial period.

The changes in accounting policies have been applied retrospectively, and there is no significant impact to the financial statements

The adoption of the below new MFRSs, Issues Committee ("IC") Interpretation and Amendments to MFRSs does not have material impact on the financial statements of the Group and the Company:

MFRS 127	*Separate Financial Statements*
IC Interpretation 20	*Stripping Costs in the Production Phase of a Surface Mine*
Amendments to MFRS 1	*Government Loans*
Amendments to MFRS 7	*Disclosures – Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134	*Annual Improvements 2009 – 2011 Cycle*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Standards issued that are not yet effective

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

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10, MFRS 12 and MFRS 127	*Investment Entities*
Amendments to MFRS 132	*Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 136	*Impairment of Assets – Recoverable Amount Disclosures for Non- Financial Assets*
Amendments to MFRS 139	*Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
IC Interpretation 21	*Levies*

Effective for annual periods beginning on or after 1 July 2014

Amendment to MFRS 119	*Employees Benefits – Defined Benefit Plans: Employee Contributions*

Effective for a date yet to be announced

MFRS 9	*Financial Instruments*

Except as otherwise indicated below, the adoption of the above new standards, amendments and interpretations are not expected to have significant impact on the financial statements of the Group and of the Company.

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of MFRS 139 that relates to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. those measured at fair value, and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. The Company is yet to assess MFRS 9's full impact and intends to adopt MFRS 9 when it is mandated by MASB.

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the 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)

(d) 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods are discussed below:

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates these useful lives to be 50 - 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 the Company's property, plant and equipment as at 31 December 2013 are disclosed in Note 2 to the financial statements.

(ii) 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 an open market value basis.

The fair value of investment property under the fair value method is disclosed in Note 3 to the financial statements.

(iii) Allowance 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 products, the Group might be required to reduce the value of its inventories and additional allowances for slow moving inventories may be required.

The carrying amount of the Group's inventories as at 31 December 2013 is disclosed in Note 10 to the financial statements.

(iv) 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/debtor.

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 2013 are disclosed in Note 11 to the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

(v) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which the goodwill 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 sensitivity analysis to changes in the assumptions are disclosed in Note 6 to the financial statements.

(vi) Impairment of other non-financial assets

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

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

(vii) 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 losses 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.

(viii) Defined benefit plan

The Group determines the present value of the defined benefit obligation and the fair value of any plan asset based on calculations provided by independent actuaries triennially using the relevant assumptions as disclosed in Note 19 to the financial statements. Where expectations differ from the original estimate, the differences will impact the carrying amount of the post employment benefits obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

(i) Measurement basis

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

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss when incurred.

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

Property, plant and equipment held for rental purposes which have ceased to be used are transferred to inventories at lower of carrying value and net realisable value, and become held for sale.

(ii) Depreciation

Depreciation is recognized 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, after deducting the estimated residual value. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Freehold land and capital work-in-progress are not amortised. Leasehold land is depreciated on a straight-line basis over the remaining period of the lease. Buildings erected on leasehold land are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of the other assets are as follows:

• Buildings	50-55 years
• Plant, machinery and equipment	2-7 years
• Machinery and equipment for hire	3-5 years
• Furniture, fixtures, fittings & 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 depreciation method, useful lives and residual values are reviewed and adjusted if appropriate, at each reporting date.

(f) Investment properties

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

Investment properties are measured initially at cost, including transaction costs. The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment properties (continued)

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

(g) Basis of consolidation

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

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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

The Group attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Group also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 MFRS 3, *Business Combinations* prospectively, as permitted under the transitional provisions of MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*. Accordingly, the effects of the merger method of accounting under Malaysian Accounting Standard No. 2 have been retained.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the statement of financial position. The goodwill is accounted for in accordance with the accounting policy set out in Note 1(k).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Basis of consolidation (continued)

Changes of Interests in Subsidiaries

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

Loss of control

When the Group loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(h) Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

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

(i) Equity accounting of jointly controlled entities

Jointly controlled entities are entities with contractually agreed sharing of control between the parties, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, and the parties have rights to the net assets of the arrangement.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in jointly controlled entities are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the jointly controlled entities.

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the jointly controlled entities are recognised in the consolidated income statement and consolidated statement of comprehensive income, respectively.

An investment in a jointly controlled entity is accounted for using the equity method from the date on which the Group obtains joint control until the date the Group ceases to have a joint control over the jointly controlled entity.

Goodwill relating to a jointly controlled entity is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Equity accounting of jointly controlled entities (continued)

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the jointly controlled entity's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities.

Equity accounting is discontinued when the carrying amount of the investment in a jointly controlled entity diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the jointly controlled entity.

The results and reserves of jointly controlled entities are accounted for in the consolidated financial statements based on financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have joint control over a jointly controlled entity, any retained interest in the former jointly controlled entity is recognised at fair value on the date when joint control is lost. Any gain or loss arising from the loss of joint control over a jointly controlled entity is recognised in profit or loss.

In the Company's separate financial statements, investments in jointly controlled entities are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

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

(j) 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.

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.

(k) Intangible assets

(i) Goodwill on consolidation

Goodwill arising 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Intangible assets (continued)

(i) Goodwill on consolidation (continued)

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.

For acquisitions before 1 January 2011, the Company elected not to restate those business combinations that occurred prior to 1 January 2011 (the date of transition to MFRSs), where goodwill recognised under FRS framework in Malaysia had been carried forward as at the date of transition.

Goodwill is not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

(ii) Other intangible assets

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. The amortisation period and amortization 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

(i) Initial recognition and measurement (continued)

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.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(iii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a 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 is 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 that are quoted in an active market 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

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

Financial assets (continued)

(c) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market, and cash and bank balances 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 or normal operating cycle after the reporting date which are classified as non-current.

(d) Available-for-sale financial assets

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

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income as item that may be subsequently reclassified to profit or loss, 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.

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 comprise 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

(iv) Derivative financial instruments and hedge accounting

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

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

(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 expired 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 expired. 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 periodic rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases (continued)

(i) As lessee (continued)

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

(ii) As lessor

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

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

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

(n) Hire purchases

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

Hire purchase assets are depreciated over the estimated useful life of the asset.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on either the specific identification 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.

(p) Government grants

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

(q) Share capital and share premium

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Share capital and share premium (continued)

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.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(r) Foreign currencies

(i) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date. Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in the profit or loss for the period. When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(ii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than Ringgit Malaysia (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) 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 taken directly to other comprehensive income as items that may be subsequently reclassified to the profit or loss.

On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initial in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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 jointly controlled entities) 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 investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

(i) 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.

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 was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

(iii) 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 other comprehensive income, the cumulative loss in other comprehensive income is reclassified form equity and recognised to profit or loss.

Impairment losses recognised in profit or loss for investment in an equity instrument is not reversed through the profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

(t) Impairment of non financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Impairment of non financial assets (continued)

(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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or cash-generating unit. 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 on a pro rata basis. Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

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

Property, plant and equipment, investments 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.

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.

(u) 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. Depending on the principal activities of the subsidiaries companies, income not derived from the ordinary activities of the entity is classified as other income.

Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity. They are excluded from revenue. In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission and the net differential.

The bases for revenue and other income recognition are as follows:

(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. Commission income (net differential) from principal-agent relationship is recognised on net basis as revenue.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue and other income (continued)

(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. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(vii) Dividend income

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

(viii) Premium income

Insurance premium income is recognized on the date of the assumption of risks.

(v) Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

(a) 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.

(b) Defined benefit plan

The Group’s net obligation in respect of its 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee benefits (continued)

(ii) Post-employment benefits (continued)

(b) Defined benefit plan *(continued)*

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.

Under MFRS 119 *Employee Benefits (revised)*, the corridor approach has been eliminated and all actuarial gains and losses are recognised in other comprehensive income as they occur, as item that may not be subsequently reclassified to profit or loss. All current and past service costs have to be immediately recognised in the profit or loss statement. Expected return on plan assets and interest costs are replaced with a net interest amount that is calculated by applying the discount rate to the net defined liability/(asset). This will replace the finance charge and the expected return on plan assets.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognised costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(w) Borrowing costs

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.

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 or sale, are capitalised as part of the cost of those assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Taxation and deferred 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 for the following temporary differences arising from the initial recognition of:

- Goodwill; or
- assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(y) Cash and cash equivalents

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

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

Cash and bank balances are categorised and measured as loans and receivables.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segmental reporting

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.

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

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

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

(aa) Provision for outstanding claims

Allowance is made for estimated costs of all insurance claims, less reinsurance recoveries, in respect of claims notices but not settled at the reporting date. Allowance is also made for the costs of claims incurred but not reported at reporting date, estimated on the basis of the actual market claims experience.

(ab) Unearned premium reserves

Unearned premium reserves ("UPR") represent the portion of insurance premium income not yet earned at the reporting date. UPR is computed using the time apportionment method. The 1/12th method is used for all classes of Malaysian general policies business.

(ac) Contingent liabilities and contingent assets

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligation, whose existence will only be confirmed by occurrence or non occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of an outflow of economic benefit is remote.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

2. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Machinery and equipment for hire RM'000	Furniture, fixtures, fittings and office equipment RM'000	Renovation RM'000	Coaches, motor vehicles for hire and other motor vehicles RM'000	Cars for hire RM'000	Boats, rafts and cabins RM'000	Capital work-in-progress RM'000	Total RM'000
1 January 2012												
- as previously stated	15,437	2,319	13,453	2,176	52,707	32,732	4,481	34,738	175,364	122	1,770	335,299
- effects of adoption of MFRS 11	-	-	-	(93)	-	(10,671)	-	(281)	-	-	-	(11,045)
1 January 2012 (restated)	15,437	2,319	13,453	2,083	52,707	22,061	4,481	34,457	175,364	122	1,770	324,254
Additions (restated)	-	-	548	23	10,817	2,069	879	4,410	37,762	-	-	56,508
Disposals (restated)	-	-	-	-	(9,935)	(374)	(110)	(3,490)	(3,934)	(14)	-	(17,857)
Reclassifications	-	-	1,227	533	-	515	(12)	974	(1,477)	-	(1,760)	-
Transfers	-	-	-	-	-	180	-	-	-	-	-	180
Write-off (restated)	-	-	-	-	(103)	(283)	(161)	-	-	(108)	-	(655)
Effects of movements in exchange rates	-	(34)	(37)	-	-	(2)	-	-	-	-	(10)	(83)
At 31 December 2012/ 1 January 2013 (restated)	15,437	2,285	15,191	2,639	53,486	24,166	5,077	36,351	207,715	-	-	362,347
Additions	-	-	267	424	9,279	2,074	1,896	8,266	44,327	-	42	66,575
Disposals	-	-	(193)	-	(10,332)	(58)	-	(8,582)	(72,551)	-	-	(91,716)
Reclassifications	-	-	-	-	-	-	-	(874)	874	-	-	-
Write-off	-	-	-	-	(162)	(111)	(1,081)	-	-	-	-	(1,354)
Effects of movements in exchange rates	-	65	114	-	-	4	-	-	-	-	-	183
At 31 December 2013	15,437	2,350	15,379	3,063	52,271	26,075	5,892	35,161	180,365	-	42	336,035
Accumulated depreciation												
At 1 January 2012												
- as previously stated	-	429	2,497	1,681	22,600	25,492	2,359	14,846	56,025	111	-	126,040
- effect of adoption of MFRS 11	-	-	-	(74)	-	(7,334)	-	(5)	-	-	-	(7,413)
At 1 January 2012 (restated)	-	429	2,497	1,607	22,600	18,158	2,359	14,841	56,025	111	-	118,627
Charge for the year (restated)	-	37	377	159	8,862	1,936	706	4,248	31,957	8	-	48,290
Disposals (restated)	-	-	-	-	(6,111)	(311)	(59)	(2,125)	(2,546)	(13)	-	(11,165)
Reclassifications	-	-	-	-	-	5	(5)	481	(481)	-	-	-
Write-off (restated)	-	-	-	-	(94)	(262)	(156)	-	-	(106)	-	(618)
At 31 December 2012/ 1 January 2013 (restated)	-	466	2,874	1,766	25,257	19,526	2,845	17,445	84,955	-	-	155,134
Charge for the year	-	38	345	218	8,586	1,977	864	4,473	33,166	-	-	49,667
Disposals	-	-	(29)	-	(6,544)	(47)	-	(6,660)	(56,313)	-	-	(69,593)
Reclassifications	-	-	-	-	-	-	-	(872)	872	-	-	-
Write-off	-	-	-	-	(162)	(100)	(1,070)	-	-	-	-	(1,332)
At 31 December 2013	-	504	3,190	1,984	27,137	21,356	2,639	14,386	62,680	-	-	133,876
Carrying amounts												
At 31 December 2012 (restated)	15,437	1,819	12,317	873	28,229	4,640	2,232	18,906	122,760	-	-	207,213
At 31 December 2013	15,437	1,846	12,189	1,079	25,134	4,719	3,253	20,775	117,685	-	42	202,159

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Renovation	Furniture, fixtures, fittings and office equipment	Motor vehicles	Total
Cost	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2012	861	443	1,164	2,468
Additions	4	57	155	216
Disposals	(24)	(13)	-	(37)
Write-off	-	(1)	-	(1)
At 31 December 2012/ 1 January 2013	841	486	1,319	2,646
Additions	3	53	450	506
Disposals	-	(12)	(438)	(450)
Write-off	(842)	-	-	(842)
At 31 December 2013	2	527	1,331	1,860
Accumulated depreciation				
At 1 January 2012	855	273	351	1,479
Charge for the year	6	51	143	200
Disposals	(24)	(4)	-	(28)
At 31 December 2012/ 1 January 2013	837	320	494	1,651
Charge for the year	3	47	145	195
Disposals	-	(1)	(166)	(167)
Write-off	(840)	-	-	(840)
At 31 December 2013	-	366	473	839
Net carrying amount				
At 31 December 2012	4	166	825	995
At 31 December 2013	2	161	858	1,021

	Net carrying amount 2013 RM'000	Net carrying amount 2012 RM'000
The Group's buildings are situated as follows:		
On leasehold land	2,675	2,661
On freehold land	9,284	9,421
In a multi-storey office complex with strata title	230	235
	12,189	12,317

As at 31 December 2013, the net carrying amount of cars for hire under hire purchase arrangements is RM14,478,876 (2012: Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

3. INVESTMENT PROPERTY

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At fair value:				
At 1 January	33,100	22,700	-	22,700
Changes in fair value for the year	9,500	10,400	-	10,400
Transferred to assets classified as held for sale	-	-	-	(33,100)
At 31 December	42,600	33,100	-	-
Investment property comprises:				
Long term leasehold land	39,600	30,300	-	-
Buildings	3,000	2,800	-	-
	42,600	33,100	-	-

Investment property comprises a commercial property that is leased to related parties. Each of the leases contains an initial non-cancellable period of 2 years. Subsequent renewals are negotiated with lessee and on average renewal period are 2 years. No contingent rents are charged.

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Rental income	397	367	-	413
Direct operating expenses	117	83	-	83

The fair value of the investment property at 31 December 2013 is based on a valuation carried out on 1 October 2013 by Rahim & Co Chartered Surveyors Sdn Bhd, a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value of the investment property was determined using comparison method and therefore is categorised as Level 2 in the fair value hierarchy.

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

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

4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	195,365	158,103
Less: Accumulated impairment loss	(29,245)	(27,895)
	166,120	130,208

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

4. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The subsidiary companies are as follows:

Name of subsidiary	Effective ownership and voting interest 2013 %	2012 %	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 undergarments
TCIM Sdn Bhd +	100	100	Malaysia	Distribution, sale and rental of material handling equipment, agriculture tractors, engine, construction equipment and parts as well as provision of after sales services
TCIM Esasia 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	100	Malaysia	Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services
Warisan Captive Incorporated	100	100	Labuan Malaysia	Underwriting of captive insurance
Belize Holdings Sdn Bhd+	100	100	Malaysia	Investment holding
Excess Line Sdn Bhd	100	100	Malaysia	Inactive
Comit Communication Technologies (M) Sdn Bhd +	100	100	Malaysia	Property holding
MUV Marketplace Sdn Bhd + (formerly known as 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 and passenger vehicles

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

4. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of subsidiary	Effective ownership and voting interest 2013 %	2012 %	Country of incorporation	Principal activities
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, sale, maintaining and repairing of generator sets, air compressors, garage lifts and light duty cultivators
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, outbound tours and provision of air-ticketing services
Kereta Komersil Seladang (M) Sdn Bhd	70	70	Malaysia	Manufacturing, assembly and sale of commercial and passenger vehicles
MAT (Labuan) Pte Ltd	100	100	Labuan Malaysia	Investment holding
MAT Tours And Travel (Cambodia) Pte Ltd*	100	100	Cambodia	Dormant
Mayflower ITravel Sdn Bhd	100	100	Malaysia	Dormant
TCIM (Labuan) Pte Ltd	100	100	Labuan Malaysia	Dormant
WTC Automotif (M) Sdn Bhd	100	100	Malaysia	Dormant
Warisan TC Management Services Sdn Bhd	100	100	Malaysia	Dormant
Warisan TC Automotive Manufacturers (M) Sdn Bhd#	100	-	Malaysia	Dormant

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

* *Not audited by Mazars*

\# *Incorporated on 21 August 2013 with an issued and paid up share capital of RM2*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

5. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2013	2012 (restated)	2013	2012
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	17,356	17,356	24,568	24,568
Share of post-acquisition reserve	14,371	12,348	-	-
	31,727	29,704	24,568	24,568

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

Name	Effective ownership and voting interest 2013 %	2012 %	Principal activities
Wacoal Malaysia Sdn Bhd ("Wacoal")	50	50	Distribution and sale of ladies undergarments
Shiseido Malaysia Sdn Bhd ("Shiseido")**	50	50	Distribution and sale of cosmetics and consumer products

** *Not audited by Mazars*

	Group	
	2013	2012 (restated)
Reconciliation of net assets to carrying amount as at 31 December	RM'000	RM'000
Group's share of net assets	39,422	37,677
Elimination of unrealised profits	(7,695)	(7,973)
Carrying amount in the statement of financial position	31,727	29,704
Group's share of profit or loss, net of tax	4,316	4,940
Other information		
Cash dividend received by the Group	2,509	1,663

5. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (continued)

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

	Wacoal		Shiseido	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Statement of financial position				
Current assets	25,094	25,894	61,174	53,497
Cash and bank balances	286	366	23,278	17,334
Non-current assets	6,290	6,150	14,829	14,296
Current liabilities	5,453	7,038	22,490	16,957
Current financial liabilities (excluding trade and other payables and provisions)	590	1,245	-	-
Non-current liabilities	130	159	380	298
Statement of profit or loss and other comprehensive income				
Revenue	40,524	40,106	86,885	86,376
Profit before tax	3,235	3,544	8,543	9,892
Other comprehensive income	(36)	-	-	-
Total comprehensive income	2,360	2,643	6,208	7,239
Depreciation	938	824	2,199	2,113
Interest income	271	267	495	314
Tax expense	838	902	2,335	2,653

6. INTANGIBLE ASSETS

	Goodwill		Group license		Total	
	2013	2012 (restated)	2013	2012	2013	2012 (restated)
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	8,431	14,375	700	700	9,131	15,075
- Effect of adoption of MFRS 11	-	(5,944)	-	-	-	(5,944)
At 31 December	8,431	8,431	700	700	9,131	9,131

Impairment testing of goodwill

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

The above goodwill acquired has been allocated to the cash-generating unit ("CGU") of inbound, outbound tours and air-ticketing services.

Recoverable amount based on value-in-use

The recoverable amount of the abovementioned CGU is determined based on value-in-use calculations using cash flow projections covering three to five years. The growth rate used for the cash flow projections is 5% (2012: 5%).

The value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on a pre-tax discount rate of 17% (2012: 17%).

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

6. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill (continued)

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 their recoverable amount.

7. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Assets		Liabilities		Total	
	2013	2012 (restated)	2013	2012 (restated)	2013	2012 (restated)
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	-	(18,446)	(22,282)	(18,446)	(22,282)
Investment property	-	-	(475)	-	(475)	-
Employee benefit plans	609	587	-	-	609	587
Tax loss carry forward	374	-	-	-	374	-
Other items	1,906	2,228	-	-	1,906	2,228
Deferred tax assets/(liabilities)	2,889	2,815	(18,921)	(22,282)	(16,032)	(19,467)
Offsetting	(2,155)	(2,267)	2,155	2,267	-	-
Net deferred tax assets/(liabilities)	734	548	(16,766)	(20,015)	(16,032)	(19,467)
Company						
Property, plant and equipment	-	-	(151)	(134)	(151)	(134)
Employee benefit plans	46	41	-	-	46	41
Other items	42	98	-	-	42	98
Deferred tax assets/(liabilities)	88	139	(151)	(134)	(63)	5
Offsetting	(88)	(134)	88	134	-	-
Net deferred tax assets/(liabilities)	-	5	(63)	-	(63)	5

Deferred tax assets on certain deductible temporary differences have not been recognised as the management believes that it is not probable that sufficient taxable profit in the foreseeable future will be available to allow all or part of the deferred tax assets to be utilised. The deductible temporary differences, the deferred tax benefits of which have not been recognised in the financial statements, are as follows:

	Group	
	2013	2012 (restated)
	RM'000	RM'000
Difference between net carrying amount and tax written down value of property, plant and equipment	(574)	(652)
Unutilised tax losses	9,531	9,780
Unabsorbed capital allowances	2,864	2,552
Other temporary differences	1,419	1,040
	13,240	12,720

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

7. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Movements of deferred taxes are as follows:

	At 1 January (restated) RM'000	Recognised in profit or loss *(Note 25)* RM'000	Recognised in other comprehensive income *(Note 26)* RM'000	At 31 December (restated) RM'000
2013				
Group				
Property, plant and equipment	(22,282)	3,836	-	(18,446)
Investment property	-	(475)	-	(475)
Employee benefit plans	587	105	(83)	609
Tax loss carry forward	-	374	-	374
Other items	2,228	(161)	(161)	1,906
Deferred tax assets/(liabilities)	(19,467)	3,679	(244)	(16,032)
Company				
Property, plant and equipment	(134)	(17)	-	(151)
Employee benefit plans	41	5	-	46
Other items	98	(56)	-	42
Deferred tax assets/(liabilities)	5	(68)	-	(63)
2012 (restated)				
Group				
Property, plant and equipment	(22,198)	(84)	-	(22,282)
Employee benefit plans	511	67	9	587
Tax loss carry forward	2,241	(2,241)	-	-
Other items	2,147	2	79	2,228
Deferred tax assets/(liabilities)	(17,299)	(2,256)	88	(19,467)
Company				
Property, plant and equipment	(51)	(83)	-	(134)
Employee benefit plans	45	(4)	-	41
Other items	57	41	-	98
Deferred tax assets/(liabilities)	51	(46)	-	5

8. FINANCE LEASE RECEIVABLES

	Group 2013 RM'000	Group 2012 RM'000
Finance lease instalments receivable:		
- not later than one year	5,192	11,407
- later than one year but not later than five years	3,796	4,747
	8,988	16,154
Unexpired term charges	(694)	(1,091)
Outstanding principal	8,294	15,063
Outstanding principal receivable not later than one year *(see Note 11)*	(4,823)	(10,668)
Outstanding principal receivable later than one year but not later than five years	3,471	4,395

The interest rate of the finance leases is 5% - 6% (2012: 5% - 6%) per annum depending on the amount financed and the tenure of the lease.

9. OTHER INVESTMENTS

	Group 2013 RM'000	Group 2012 (restated) RM'000
Classified as available-for-sale financial assets		
Unquoted shares, at cost	10	10

10. INVENTORIES

Group	2013 At cost RM'000	2013 At net realisable value RM'000	2013 Total RM'000	2012 (restated) At cost RM'000	2012 (restated) At net realisable value RM'000	2012 (restated) Total RM'000
Raw materials	1,006	168	1,174	1,901	212	2,113
Work-in-progress	118	-	118	104	-	104
Equipment and machinery	79,724	9,382	89,106	71,475	8,453	79,928
Trading inventories	768	178	946	769	410	1,179
Spare parts and workshop inventories	15,203	2,328	17,531	15,817	2,410	18,227
Commercial and passenger vehicles	19,906	-	19,906	4,319	-	4,319
CKD kits and accessories	29,735	-	29,735	11,815	-	11,815
	146,460	12,056	158,516	106,200	11,485	117,685

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

10. INVENTORIES (continued)

	Group	
	2013	2012 (restated)
	RM'000	RM'000
Recognised in profit or loss:		
- Inventories recognised as cost of sales	197,688	189,299
- Write-down to net realisable value	974	967

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012 (restated)	2013	2012
	RM'000	RM'000	RM'000	RM'000
Gross trade receivables	98,228	88,678	-	-
Allowance for doubtful debts	(4,952)	(3,334)	-	-
	93,276	85,344	-	-
Finance lease receivables *(see Note 8)*	4,823	10,668	-	-
Other receivables	5,863	3,537	-	-
Sundry deposits	3,446	1,664	57	54
Prepayments	9,110	4,221	99	28
Subsidiary companies	-	-	8,816	6,319
Jointly controlled entities	417	814	-	-
Related parties	935	182	47	109
	117,870	106,430	9,019	6,510

Customers are granted credit periods of between 30 to 60 days (2012: 30 to 60 days). For major established customers, the credit terms may be extended to 120 days based on the discretion of management.

The amounts owing by subsidiary companies are unsecured, non trade receivables which are interest free and receivable on demand.

The amounts owing by jointly controlled entities are trade receivables which are unsecured, interest free and have a normal credit period of 30 to 60 days (2012: 30 to 60 days).

The amounts 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 to 120 days (2012: 60 to 120 days).

12. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Forward foreign currency contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuation in foreign currency rates. All forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

	2013			2012		
Group	**Nominal value RM'000**	**Assets RM'000**	**Liabilities RM'000**	**Nominal value RM'000**	**Assets RM'000**	**Liabilities RM'000**
Derivatives used for hedging						
- Forward exchange contracts	21,782	366	(129)	17,779	35	(414)

13. CASH AND BANK BALANCES

	Group		Company	
	2013	**2012 (restated)**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short term deposits	12,227	13,666	939	1,486
Fixed deposits with licensed banks	39,873	22,893	134	129
Cash at bank and in hand	57,440	48,094	2,378	1,590
	109,540	84,653	3,451	3,205

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

Fixed deposits are placed with licensed banks with effective interest rates range from 0.25% to 3.35% (2012: 0.25% to 3.20%). All deposits had maturity periods of less than one year.

14. ASSET CLASSIFIED AS HELD FOR SALE

Land and buildings held by the Company were presented as asset held for sale during the last financial year following the commitment of the Company's management to sell the assets. On 3 January 2013, in accordance with the Agreement To Transfer, the Company transferred its long term leasehold industrial land with the buildings to its wholly-owned subsidiary Comit Communication Technologies (M) Sdn Bhd. The total consideration of RM33.1 million was satisfied by the issuance of 33,100,000 new ordinary shares of RM1.00 each to the Company at an issue price of RM1.00 per share.

	Company	
	2013	**2012**
	RM'000	**RM'000**
At 1 January	33,100	-
Transferred from investment property:		
- Long term leasehold land	-	30,300
- Buildings	-	2,800
Transferred to subsidiary		
- Long term leasehold land	(30,300)	-
- Buildings	(2,800)	-
At 31 December	-	33,100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

15. SHARE CAPITAL

	Group and Company	
	2013 RM'000	2012 RM'000
Authorised		
100,000,000 ordinary shares of RM1 each	100,000	100,000
Issued and fully paid		
67,200,000 ordinary shares of RM1 each	67,200	67,200

16. TREASURY SHARES

	Group and Company			
	Number of shares		At cost	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
At 1 January	2,069	2,039	4,128	4,051
Additions	26	30	73	77
At 31 December	2,095	2,069	4,201	4,128

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

17. RESERVE

Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

Merger reserve

Merger reserve arouse from those subsidiaries identified in Note 4 which are consolidated on the merger method of accounting.

Translation reserve

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

Hedging reserve

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

Revaluation reserve

Revaluation reserve relates to the revaluation of property, plant and equipment which have been transferred to investment property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

18. LOANS AND BORROWINGS (NON-CURRENT LIABILITIES)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Bank term loans (unsecured)	76,078	102,859	8,648	15,135
Hire purchase payables	12,478	-	-	-
	88,556	102,859	8,648	15,135
Repayments due within the next 12 months *(see Note 21)*	45,531	44,928	6,486	6,486
Repayments due after 12 months but no later than five years	43,025	57,931	2,162	8,649

The loans and borrowings bear interest as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 3.88% per annum	-	1,938	-	-
At 4.33% per annum	18,148	-	-	-
At 4.40% per annum	10,565	17,225	-	-
At 4.53% per annum	6,903	-	-	-
At 4.67% per annum	20,818	30,826	-	-
At 4.70% per annum	-	2,593	-	-
At 4.75% per annum	5,575	-	-	-
At 4.93% per annum	4,909	8,182	-	-
At 4.95% per annum	7,590	17,550	-	-
At 4.98% per annum	8,648	15,135	8,648	15,135
At 5.10% per annum	-	1,065	-	-
At 5.14% per annum	5,400	8,345	-	-
	88,556	102,859	8,648	15,135

	Group		
	Future minimum hire purchase payables 2013 RM'000	Future finance charges 2013 RM'000	Present value of hire minimum purchase payables 2013 RM'000
Hire purchase payables:			
- Less than one year *(see Note 21)*	4,616	491	4,125
- Between one and five years	8,730	377	8,353
	13,346	868	12,478

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

19. RETIREMENT BENEFIT OBLIGATIONS

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

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

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

	Group		Company	
	2013	2012 (restated)	2013	2012 (restated)
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded obligations				
At 1 January	2,348	2,522	164	425
- Effect of adoption of MFRS 11	-	(284)	-	-
- Effect of adoption of MFRS 119 (revised)	-	(195)	-	(244)
At 1 January (restated)	2,348	2,043	164	181
Included in profit or loss				
Current service cost	310	275	33	29
Interest costs	106	102	11	9
Actuarial gain	(28)	(37)	(48)	(55)
Past service cost of benefits	317	-	41	-
	705	340	37	(17)
Included in other comprehensive income				
Actuarial (gain)/loss:				
- Changes in assumptions	487	-	-	-
- Experience adjustments	(996)	37	-	-
	(509)	37	-	-
Others				
Benefits paid	(110)	(72)	(14)	-
At 31 December	2,434	2,348	187	164

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

	Group and Company	
	2013	2012
Discount rate	5.75-6.0%	5.9%
Expected rate of salary increases	6.5%	6.0%
Price inflation	2.5%	3.5%

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

	Group Defined benefit obligations	
	Increase RM'000	Decrease RM'000
2013		
Discount rate (1% movement)	(277)	327
Salary increase rate (1% movement)	252	(221)

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

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012 (restated)	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade payables	44,465	44,973	-	-
Other payables	14,936	12,162	1,473	970
Deposits received	13,615	16,438	92	92
Accruals	15,501	15,350	440	1,038
Subsidiary companies	-	-	3,272	3,592
Jointly controlled entities	11	2	11	2
Related parties	6,828	4,302	6,421	4,244
	95,356	93,227	11,709	9,938

The normal credit periods granted by trade suppliers range from 30 to 120 days (2012: 30 to 120 days).

The amounts owing to subsidiary companies comprise non trade payables which are unsecured and interest free except for an amount of RM3,200,000 (2012: RM3,200,000) which is subject to interest bearing fixed at 3% (2012: 3%) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

21. LOANS AND BORROWINGS (CURRENT LIABILITIES)

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current portion of long term loans and borrowings *(see Note 18)*	41,406	44,928	6,486	6,486
Current portion of hire purchase payables *(see Note 18)*	4,125	-	-	-
Bankers' acceptances	95,543	38,716	-	-
Revolving credits	80,000	70,500	-	-
Bank overdraft	1,212	-	-	-
	222,286	154,144	6,486	6,486

The bankers' acceptances are unsecured and bear effective interest rates ranging at 3.4% to 3.89% (2012: 3.35% to 4.08%) per annum.

Revolving credits are unsecured and bear effective interest rates at 3.8% to 4.25% (2012: 3.79% to 4.35%) per annum.

Bank overdraft is unsecured and bears effective interest rates at 7.1% per annum.

22. REVENUE

	Group		Company	
	2013	2012 (restated)	2013	2012
	RM'000	RM'000	RM'000	RM'000
Gross dividends from subsidiary companies	-	-	23,106	17,726
Gross dividends from jointly controlled entities	-	-	2,743	1,803
Sales of goods	227,431	219,484	-	-
Sale proceeds from disposal of assets held for rental	37,293	3,298	-	-
Services rendered including car hire income	213,278	222,229	1,726	1,781
Finance lease income	741	1,128	-	-
Operating lease income	2,753	5,179	-	-
Insurance premium income	2,166	1,881	-	-
	483,662	453,199	27,575	21,310

23. PROFIT FROM OPERATIONS

	Group		Company	
	2013	2012 (restated)	2013	2012
Profit from operations is stated after charging:	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts	2,127	679	-	-
Auditors' remuneration				
- statutory audit	193	179	33	30
- other fee	5	14	5	13
Bad debts written off	70	45	-	-
Depreciation of property, plant and equipment	49,667	48,290	195	200
Directors' remuneration				
- fees	131	131	131	131
- other emoluments	3,157	2,257	1,902	1,527
Direct operating expenses on rental income generating investment property	117	83	-	83
Impairment in value of investment in subsidiary companies	-	-	1,350	2,909
Inventories written off/down	974	967	-	-
Loss on disposal of property, plant and equipment	667	62	11	-
Property, plant and equipment written off	22	37	2	1
Rental expense				
- land and buildings	2,869	3,565	28	16
- car park	91	59	-	-
- equipment	468	460	-	-
Retirement benefit obligations	705	340	37	-
Unrealised loss on foreign exchange, net	99	103	-	-
and crediting:				
Allowance for doubtful debts written back	381	207	-	-
Bad debts recovered	-	104	-	-
Gain on disposal of property, plant and equipment	1,638	1,141	-	-
Gain on disposal of assets held for rental	20,911	1,791	-	-
Realised gain on foreign exchange, net	1,133	2,227	-	-
Gain on fair value adjustment on investment property	9,500	10,400	-	10,400
Interest income from				
- fixed deposits	1,648	1,465	47	33
- short term deposits	461	425	154	62
- subsidiaries	-	-	-	6
Rental income from				
- asset held for sale	-	-	-	413
- investment property	397	367	-	-
- land and buildings	32	38	-	-
Reversal of retirement benefit obligations	-	17	-	17

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

24. FINANCE COSTS

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest paid and payable on:				
Bank term loans	4,619	5,573	605	904
Bankers' acceptances	1,691	2,198	-	-
Revolving credits	3,318	2,009	-	-
Hire purchase	65	-	-	-
Others	21	425	90	320
	9,714	10,205	695	1,224

25. TAX EXPENSE

	Group		Company	
	2013	**2012 (restated)**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysian taxation based on results for the year:				
- current	12,751	5,437	279	1,067
- deferred	(3,668)	2,430	67	(32)
	9,083	7,867	346	1,035
Under/(Over) provision in prior years:				
- current	(168)	(96)	(64)	(64)
- deferred	(11)	(174)	1	78
	8,904	7,597	283	1,049

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

	Group		Company	
	2013	**2012 (restated)**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Accounting profit	42,907	37,244	16,114	20,048
Tax at applicable Malaysian tax rate of 25% (2012: 25%)	10,727	9,311	4,029	5,012
Non deductible expenses	1,907	2,855	2,021	570
Tax exempt income	(3,626)	(4,680)	(5,704)	(4,547)
Change in unrecognised temporary differences	130	467	-	-
Effect of different tax rates in foreign subsidiaries	(55)	(86)	-	-
(Over)/Under provision in prior years	(179)	(270)	(63)	14
Tax expense for the year	8,904	7,597	283	1,049

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

26. OTHER COMPREHENSIVE INCOME

Group	2013 Before tax RM'000	2013 Tax expense RM'000	2013 Net of tax RM'000	2012 (restated) Before tax RM'000	2012 (restated) Tax expense RM'000	2012 (restated) Net of tax RM'000
Items that are or may be reclassified subsequently to profit or loss						
Net change in fair value of cash flow hedge	643	(161)	482	(315)	79	(236)
Foreign exchange differences from translation	790	-	790	(409)	-	(409)
	1,433	(161)	1,272	(724)	79	(645)
Item that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liabilities	331	(83)	248	(36)	9	(27)
	1,764	(244)	1,520	(760)	88	(672)

27. 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 by the weighted average number of shares in issue:

	Group 2013	Group 2012
Profit attributable to shareholders of the Company (RM'000)	34,221	29,651
Weighted average number of ordinary shares ('000)		
At 1 January	65,141	65,188
Effect of treasury shares purchased	(22)	(47)
At 31 December	65,119	65,141
Basic earnings per share (sen)	52.55	45.52

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

28. DIVIDENDS

	Group and Company	
	2013 RM'000	2012 RM'000
In respect of the financial year ended 31 December 2011:		
Final dividend of 6 sen less 25% income tax paid on 21 June 2012	-	2,931
In respect of the financial year ended 31 December 2012:		
Interim dividend of 6 sen less 25% income tax paid on 28 September 2012	-	2,931
Final dividend of 6 sen less 25% income tax paid on 20 June 2013	2,931	-
In respect of the financial year ended 31 December 2013:		
Interim dividend of 6 sen less 25% income tax paid on 30 September 2013	2,930	-
	5,861	5,862

At the forthcoming Annual General Meeting ("AGM"), the Directors proposed the payment of a final single tier dividend of 4.5 sen under the single tier tax system (2012: 6 sen less 25% income tax) in respect of the financial year ended 31 December 2013 amounting to a dividend payable of approximately RM2.9 million. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

29. EMPLOYEE INFORMATION

	Group		Company	
	2013 RM'000	2012 (restated) RM'000	2013 RM'000	2012 RM'000
Employee costs	68,012	59,652	5,770	4,114
Included in the employee costs are:				
Employees Provident Fund contributions	6,799	5,799	595	465
Defined benefit plan provisions	705	340	37	(17)

30. RELATED PARTY DISCLOSURES

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

The Group has related party relationships with its direct and indirect subsidiaries, jointly controlled entities, and companies in which a Director of the Company has substantial interest.

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

30. RELATED PARTY DISCLOSURES (continued)

Other than disclosed elsewhere in the notes to the financial statements, significant related party transactions during the financial year were as follows:

(a) Transactions with subsidiary companies

	Company	
	2013 RM'000	2012 RM'000
Interest income	-	6
Management fee income	1,726	1,781
Rental income	-	413
Interest expenses	96	61

(b) Transactions with jointly controlled entities

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sales	5,596	6,572	-	-
Travel agency, car rental and workshop services	1,098	1,108	-	-
Purchase of products	218	380	-	-

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

With TCMH group

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sales	32,379	41,329	-	-
Travel agency, car rental and workshop services	7,814	4,445	-	-
Rental income	767	516	-	417
Purchase of trucks	381	888	-	-
Purchase of spare parts	1,862	1,015	-	-
Workshop services	1,406	1,934	14	19
Rental expenses	137	97	15	15
Purchase of property, plant and equipment	37,792	26,175	471	-
Insurance agency services	4,276	3,311	61	71
Administrative services*	5,228	2,806	2,213	1,825
Assembly services	5,774	3,682	-	-
Hire purchase financing and leasing	12,912	-	-	-
Hire purchase interest	65	-	-	-

* Included in administrative services expenses is an amount of RM453,847 (2012: RM349,132) paid/payable to TCMH group in respect of the services provided to the Group by a director of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

30. RELATED PARTY DISCLOSURES (continued)

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

With APM group

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sales	165	1	-	-
Travel agency, car rental and workshop services	2,315	2,029	-	-
Rental income	861	636	-	-
Purchase of spare parts	23	20	-	-
Workshop services	14	8	-	-

Information regarding outstanding balances arising from related party transactions at reporting date is disclosed in the respective notes to the financial statements.

31. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

Compensation paid to key management personnel during the year comprises:

	Group		Company	
	2013 RM'000	2012 (restated) RM'000	2013 RM'000	2012 RM'000
Directors:				
- Fees	131	131	131	131
- Remuneration	2,799	2,026	1,669	1,365
- other short term employee benefits (including estimated monetary value of benefits-in-kind)	172	74	139	18
- Employees Provident Fund	358	231	233	162
	3,460	2,462	2,172	1,676
Other key management personnel:				
- Remuneration	3,697	1,264	1,102	309
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	92	42	27	11
- Employees Provident Fund	437	135	133	37
	4,226	1,441	1,262	357

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

32. COMMITMENTS

Capital expenditure commitments	Group 2013 RM'000	Group 2012 RM'000
Property, plant and equipment		
Contracted capital expenditure not provided for in the financial statements	25,396	16,718

Operating lease commitments

(a) 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 future minimum lease rentals receivable under non-cancellable leases are as follows:

	2013 RM'000	2012 RM'000
Not later than one year	30,282	40,557
Later than one year but not later than five years	32,213	45,724
	62,495	86,281

(b) The Group as lessee

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

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

	2013 RM'000	2012 RM'000
Not later than one year	3,630	2,366
Later than one year but not later than five years	3,602	1,707
	7,232	4,073

33. 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 financial liabilities measured at amortised cost ("OL"); and
(iv) Financial instruments at fair value through profit or loss ("FVPL").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

33. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

2013	Carrying Amount RM'000	L&R RM'000	AFS RM'000	OL RM'000	FVPL RM'000
Financial assets:					
Assets as per statement of financial position					
Group					
Other investments	10	-	10	-	-
Finance lease receivables	3,471	3,471	-	-	-
Trade and other receivables (excluding prepayments)	108,760	108,760	-	-	-
Derivative financial assets	366	-	-	-	366
Cash and bank balances	109,540	109,540	-	-	-
	222,147	221,771	10	-	366
Company					
Trade and other receivables (excluding prepayments)	8,920	8,920	-	-	-
Cash and bank balances	3,451	3,451	-	-	-
	12,371	12,371	-	-	-
Financial liabilities:					
Liabilities as per statement of financial position					
Group					
Loans and borrowings	265,311	-	-	265,311	-
Trade and other payables	95,356	-	-	95,356	-
Derivative financial liabilities	129	-	-	-	129
	360,796	-	-	360,667	129
Company					
Loans and borrowings	8,648	-	-	8,648	-
Trade and other payables	11,709	-	-	11,709	-
	20,357	-	-	20,357	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

33. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

2012 (restated)	**Carrying Amount RM'000**	**L&R RM'000**	**AFS RM'000**	**OL RM'000**	**FVPL RM'000**
Financial assets:					
Assets as per statement of financial position					
Group					
Other investments	10	-	10	-	-
Finance lease receivables	4,395	4,395	-	-	-
Trade and other receivables (excluding prepayments)	102,209	102,209	-	-	-
Derivative financial assets	35	-	-	-	35
Cash and bank balances	84,653	84,653	-	-	-
	191,302	191,257	10	-	35
Company					
Trade and other receivables	6,482	6,482	-	-	-
Cash and bank balances	3,205	3,205	-	-	-
	9,687	9,687	-	-	-
Financial liabilities:					
Liabilities as per statement of financial position					
Group					
Loans and borrowings	212,075	-	-	212,075	-
Trade and other receivables (excluding prepayments)	93,227	-	-	93,227	-
Derivative financial liabilities	414	-	-	-	414
	305,716	-	-	305,302	414
Company					
Loans and borrowings	15,135	-	-	15,135	-
Trade and other payables	9,938	-	-	9,938	-
	25,073	-	-	25,073	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

33. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments

The carrying amounts of each cash and bank balances, 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:

	Level 2 – fair value of financial instruments			
2013 **Group**	**Carried at fair value RM'000**	**Not carried at fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Financial assets:				
Finance lease receivables	-	3,471	3,471	3,460
Derivative financial assets	366	-	366	366
	366	3,471	3,837	3,826
Financial liabilities:				
Bank term loans	-	76,078	76,078	75,997
Hire purchase payables	-	12,478	12,478	12,478
Derivative financial liabilities	129	-	129	129
	129	88,556	88,685	88,604
Company				
Financial liabilities:				
Bank term loan	-	8,648	8,648	8,667
2012				
Group				
Financial assets:				
Finance lease receivables	-	4,395	4,395	4,252
Derivative financial assets	35	-	35	35
	35	4,395	4,430	4,287
Financial liabilities:				
Bank term loans	-	102,859	102,859	102,944
Derivative financial liabilities	414	-	414	414
	414	102,859	103,273	103,358
Company				
Financial liabilities:				
Bank term loan	-	15,135	15,135	15,183

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

33. FINANCIAL INSTRUMENTS (continued)

The fair values of forward exchange contracts are estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

Fair values of finance lease receivables, bank term loans and hire purchase payables, which are 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.

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to credit, liquidity, interest rate and foreign currency risks from its use of financial instruments:

(a) Credit risk

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

As at the end of the reporting period, the maximum exposure to credit risk arising from these financial assets is represented by the carrying amounts in the statement of financial position.

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 resulting in the Group's exposure to bad debts insignificant. Any receivable having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly. 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**
2013				
Current	42,105	(49)	-	42,056
0 to 30 days	17,882	-	-	17,882
31 to120 days	25,912	(9)	-	25,903
More than 120 days	12,329	(4,112)	(782)	7,435
	98,228	(4,170)	(782)	93,276

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Group	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
2012 (restated)				
Current	38,368	(44)	-	38,324
0 to 30 days	22,653	(44)	-	22,609
31 to120 days	18,276	(346)	-	17,930
More than 120 days	9,381	(2,118)	(782)	6,481
	88,678	(2,552)	(782)	85,344

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

	Group 2013 RM'000	Group 2012 RM'000
At 1 January	3,334	2,871
Allowance	2,127	679
Reversal	(381)	(207)
Write off	(128)	(9)
At 31 December	4,952	3,334

(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 bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that it 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:

2013	Within one year RM'000	One to five years RM'000	Total RM'000
Group			
Trade and other payables	95,356	-	95,356
Loans and borrowings	227,217	44,905	272,122
Derivative financial liabilities	129	-	129
	322,702	44,905	367,607

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

2013	Within one year RM'000	One to five years RM'000	Total RM'000
Company			
Trade and other payables	11,709	-	11,709
Loans and borrowings	6,769	2,184	8,953
	18,478	2,184	20,662
2012 (restated)			
Group			
Trade and other payables	93,227	-	93,227
Loans and borrowings	159,637	60,287	219,924
Derivative financial liabilities	414	-	414
	253,278	60,287	313,565
Company			
Trade and other payables	9,938	-	9,938
Loans and borrowings	7,091	8,953	16,044
	17,029	8,953	25,982

(c) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Exposure to interest rate risk related primarily to the Group's interest-bearing borrowings, short term deposits and fixed deposits.

The Group's policy is to borrow using a mix of fixed and floating rates. The objective is to reduce the impact of a rise in interest rates and to enable savings to be enjoyed if interest rates fall.

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

Sensitivity analysis for interest rate risk

A sensitivity analysis has been performed on the outstanding floating rate borrowings of the Group as at the reporting date. An increase or decrease of 50 basis points in interest rates at the reporting date would decrease or increase post-tax profit by RM730,886 (2012: RM419,284), with all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

34. 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 functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Chinese Renminbi ("CNY"), Japanese Yen ("JPY"), Euro ("EUR"), Singaporean Dollar ("SGD"), Indonesian Rupiah ("IDR") and Vietnamese Dong ("VND").

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

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

				2013 Denominated in			
Group	**USD**	**SGD**	**CNY**	**EUR**	**JPY**	**IDR**	**VND**
In RM'000							
Trade receivables	1,228	21	312	-	6	-	-
Trade payables	(2,779)	(3)	(13)	(434)	(21)	-	-
Cash and bank balances	5,631	-	3	11	677	6	506
Net exposure	4,080	18	302	(423)	662	6	506

				2012 (restated) Denominated in			
Group	**USD**	**SGD**	**CNY**	**EUR**	**JPY**	**IDR**	**VND**
In RM'000							
Trade receivables	403	8	382	-	-	-	-
Trade payables	(2,443)	(7)	-	(577)	(26)	-	-
Cash and bank balances	6,341	-	96	3	1,157	174	607
Net exposure	4,301	1	478	(574)	1,131	174	607

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 or weakening of the above mentioned foreign currencies against Ringgit Malaysia at the reporting date would decrease or increase post-tax profit by RM386,325 (2012: RM458,775) with all other variables remain constant.

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors 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.

The gearing ratios at 31 December are as follows:

	Group 2013 RM'000	Group 2012 (restated) RM'000
Loans and borrowings *(Notes 18 and 21)*	265,311	212,075
Less : Cash and bank balances *(Note 13)*	(109,540)	(84,653)
Net debt	155,771	127,422
Total equity	299,908	270,319
Gearing ratio	52%	47%

36. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Automotive		Others		Total	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 (restated) RM'000	2013 RM'000	2012 (restated) RM'000
Segment profit	22,031	26,777	71,295	55,926	454	1,852	9,779	(397)	103,559	84,158
Included in the measure of segment profit are:										
Revenue from external customers	203,206	204,901	223,633	202,069	45,713	41,446	11,110	4,783	483,662	453,199
Inter-segment revenue	-	-	1,423	1,199	-	-	-	-	1,423	1,199
Inventories written off/down	(619)	(456)	-	-	-	-	(355)	(511)	(974)	(967)
Share of profit of jointly controlled entities	-	-	-	-	-	-	4,316	4,940	4,316	4,940
Not included in the measure of segment profit but provided to Chief Executive Officer:										
Depreciation and amortization	(10,401)	(10,495)	(37,891)	(36,394)	(624)	(477)	(556)	(724)	(49,472)	(48,090)
Finance costs	(4,715)	(4,942)	(3,499)	(3,759)	(901)	(336)	-	-	(9,115)	(9,037)
Finance income	1,072	1,002	371	355	12	9	453	429	1,908	1,795
Income tax expense	(2,099)	(3,482)	(6,825)	(4,867)	260	(463)	(715)	(110)	(9,379)	(8,922)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

36. SEGMENTAL ANALYSIS (continued)

	Machinery		Travel and car rental		Automotive		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012 (restated)	2013	2012 (restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	255,659	241,225	234,628	219,837	71,782	34,712	78,703	31,728	640,772	527,502
Included in the measure of segment assets are:										
Investment in jointly controlled entities	-	-	-	-	-	-	31,727	29,704	31,727	29,704
Additions to non-current assets other than financial instruments and deferred tax assets	11,191	13,456	52,506	42,042	2,278	421	94	373	66,069	56,292

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

	2013 RM'000	2012 (restated) RM'000
Profit or loss		
Total profit or loss for reportable segments	103,559	84,158
Depreciation and amortization	(49,667)	(48,290)
Finance costs	(9,714)	(10,205)
Finance income	2,109	1,890
Non reportable segment (expenses)/income	(7,696)	4,751
Share of profit from equity accounted investment	4,316	4,940
Consolidated profit before tax	42,907	37,244

	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
2013						
Total reportable segments	483,662	(49,472)	(9,115)	1,908	640,772	66,069
Other non-reportable segments	-	(195)	(599)	201	9,502	506
Share of assets from equity accounted investments	-	-	-	-	31,727	-
Consolidated total	483,662	(49,667)	(9,714)	2,109	682,001	66,575
2012 (restated)						
Total reportable segments	453,199	(48,090)	(9,037)	1,795	527,502	56,292
Other non-reportable segments	-	(200)	(1,168)	95	43,244	216
Share of assets from equity accounted investments	-	-	-	-	29,704	-
Consolidated total	453,199	(48,290)	(10,205)	1,890	600,450	56,508

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

37. ADOPTIONS OF NEW STANDARDS, AMENDMENTS AND ISSUES COMMITTEE ("IC") INTERPRETATIONS

The accounting policies set out in Note 1 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2013, the comparative information presented in these financial statements for the year ended 31 December 2012, and in preparation of the opening statement of financial position as at 1 January 2012.

Financial effects of the adoption of the new standards, amendments and IC interpretations issued by the Malaysian Accounting Standards Board effective during the year as explained in Note 1(b) to the financial statements are as follows:

Consolidated Statement of Comprehensive Income (Extract)

	31.12.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 (revised) RM'000	31.12.12 Restated RM'000
Revenue	516,440	(63,241)	-	453,199
Cost of sales	(358,853)	25,148	-	(333,705)
Gross profit	157,587	(38,093)	-	119,494
Other income	5,033	(1,687)	-	3,346
Fair value gain on investment properties	10,400	-	-	10,400
Selling and distribution expenses	(69,519)	24,227	-	(45,292)
Administrative and general expenses	(56,454)	9,125	-	(47,329)
Interest expenses	(10,205)	-	-	(10,205)
Interest income	2,180	(290)	-	1,890
Share of profit from equity accounted investments, net of tax	-	4,940	-	4,940
Profit before tax	39,022	(1,778)	-	37,244
Tax expenses	(9,375)	1,778	-	(7,597)
Profit for the year	29,647	-	-	29,647
Item that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit liabilities	-	-	(27)	(27)
Other comprehensive income	(645)	-	-	(645)
Total other comprehensive income for the year	(645)	-	(27)	(672)
Total comprehensive income for the year	29,002	-	(27)	28,975
Profit attributable to:				
Owners of the Company	29,651	-	-	29,651
Non-controlling interests	(4)	-	-	(4)
	29,647	-	-	29,647
Total comprehensive income attributable to:				
Owners of the Company	29,006	-	(27)	28,979
Non-controlling interests	(4)	-	-	(4)
Total comprehensive income for the year	29,002	-	(27)	28,975

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

37. ADOPTIONS OF NEW STANDARDS, AMENDMENTS AND IC INTERPRETATIONS (continued)

Consolidated Statement of Financial Position (Extract)

	31.12.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 (revised) RM'000	31.12.12 Restated RM'000	01.01.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 (revised) RM'000	01.01.12 Restated RM'000
ASSETS								
Property, plant and equipment	211,089	(3,876)	-	207,213	209,259	(3,632)	-	205,627
Investments accounted for using the equity method	-	29,642	62	29,704	-	26,441	62	26,503
Other investments	35	(25)	-	10	35	(25)	-	10
Deferred tax assets	951	(403)	-	548	893	(373)	-	520
Intangible assets	15,075	(5,944)	-	9,131	15,075	(5,944)	-	9,131
Total non-current assets	264,645	19,394	62	284,101	255,214	16,467	62	271,743
Inventories	129,813	(12,128)	-	117,685	104,363	(11,092)	-	93,271
Receivables, deposits and prepayments	119,464	(13,034)	-	106,430	117,251	(14,931)	-	102,320
Current tax assets	7,546	-	-	7,546	5,922	(470)	-	5,452
Cash and bank balances	97,782	(13,129)	-	84,653	99,803	(10,457)	-	89,346
Total current assets	354,640	(38,291)	-	316,349	327,457	(36,950)	-	290,507
TOTAL ASSETS	619,285	(18,897)	62	600,450	582,671	(20,483)	62	562,250
EQUITY								
Equity attributable to owners of the Company								
Retained earnings	243,175	(7,212)	190	236,153	219,386	(7,212)	217	212,391
Total equity attributable to owners of the Company	276,941	(7,212)	190	269,919	253,874	(7,212)	217	246,879
Non-controlling interests	409	-	(9)	400	413	-	(9)	404
TOTAL EQUITY	277,350	(7,212)	181	270,319	254,287	(7,212)	208	247,283
LIABILITIES								
Deferred tax liabilities	19,976	-	39	20,015	17,770	-	49	17,819
Retirement benefit obligations	2,836	(330)	(158)	2,348	2,522	(284)	(195)	2,043
Total non-current liabilities	80,743	(330)	(119)	80,294	105,927	(284)	(146)	105,497
Payables and accruals	104,150	(10,923)	-	93,227	91,699	(12,877)	-	78,822
Current tax liabilities	2,484	(432)	-	2,052	1,689	(110)	-	1,579
Total current liabilities	261,192	(11,355)	-	249,837	222,457	(12,987)	-	209,470
TOTAL LIABILITIES	341,935	(11,685)	(119)	330,131	328,384	(13,271)	(146)	314,967
TOTAL EQUITY AND LIABILITIES	619,285	(18,897)	62	600,450	582,671	(20,483)	62	562,250

Consolidated Statement of Changes in Equity (Extract)

	31.12.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 (revised) RM'000	31.12.12 Restated RM'000	01.01.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 (revised) RM'000	01.01.12 Restated RM'000
Retained earnings	243,175	(7,212)	190	236,153	219,386	(7,212)	217	212,391
Non-controlling interests	409	-	(9)	400	413	-	(9)	404

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

37. ADOPTIONS OF NEW STANDARDS, AMENDMENTS AND IC INTERPRETATIONS (continued)

Consolidated Statement of Cash Flows

	31.12.2012 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	31.12.2012 Restated RM'000
Cash flow from operating activities			
Profit before tax	39,022	(1,778)	37,244
Adjustments for:			
Depreciation	49,871	(1,581)	48,290
Gain on disposal of property, plant and equipment	(1,082)	3	(1,079)
Gain on disposal of assets held for rental	(1,791)	-	(1,791)
Other non-cash items	8,025	290	8,315
Non-operating items	(7,253)	(6,123)	(13,376)
Operating profit before working capital changes	86,792	(9,189)	77,603
Changes in working capital	(13,859)	2,284	(11,575)
Tax paid	(7,977)	1,016	(6,961)
Retirement benefit paid	(73)	1	(72)
Proceeds from disposal of assets held for rental	3,298	-	3,298
Net cash generated from operating activities	68,181	(5,888)	62,293
Cash flows from investing activities			
Dividend received from jointly controlled entities	-	1,663	1,663
Purchase of property, plant and equipment	(58,354)	1,846	(56,508)
Proceeds from disposal of property, plant and equipment	4,889	(3)	4,886
Interest received	2,180	(290)	1,890
Net cash used in investing activities	(51,285)	3,216	(48,069)
Cash flows from financing activities			
Dividends paid to shareholders of the Company	(5,862)	-	(5,862)
Drawdown of bankers' acceptances	276,356	-	276,356
Repayment of bankers' acceptances	(287,808)	-	(287,808)
Drawdown of term loans	20,000	-	20,000
Repayment of term loans	(42,995)	-	(42,995)
Drawdown of revolving credits	116,000	-	116,000
Repayment of revolving credits	(84,000)	-	(84,000)
Interest paid	(10,205)	-	(10,205)
Purchase of treasury shares	(77)	-	(77)
Net cash used in financing activities	(18,591)	-	(18,591)
Net changes in cash and cash equivalents	(1,695)	(2,672)	(4,367)
Cash and cash equivalents at beginning of year	99,803	(10,457)	89,346
Effects of exchange rate changes on cash and cash equivalents	(326)	-	(326)
Cash and cash equivalents at end of year	97,782	(13,129)	84,653

37. ADOPTIONS OF NEW STANDARDS, AMENDMENTS AND IC INTERPRETATIONS (continued)

Consolidated Statement of Cash Flows (continued)

	31.12.2012 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	31.12.2012 Restated RM'000
Cash and cash equivalents comprise:			
Short term deposits	13,666	-	13,666
Cash and bank balances	50,600	(10,810)	39,790
Fixed deposits with licensed banks	33,516	(2,319)	31,197
	97,782	(13,129)	84,653

The financial impacts on the Company arising from the adoption of MFRS 119 (revised) are as follows:

Statement of Financial Position (Extract)

	31.12.12 Previously stated RM'000	Effect of adoption of MFRS 119 (revised) RM'000	31.12.12 Restated RM'000	01.01.12 Previously stated RM'000	Effect of adoption of MFRS 119 (revised) RM'000	01.01.12 Restated RM'000
Deferred tax assets	66	(61)	5	112	(61)	51
Retained earnings	114,071	183	114,254	100,934	183	101,117
Retirement benefit obligations	408	(244)	164	425	(244)	181

Statement of Changes in Equity (Extract)

	31.12.12 Previously stated RM'000	Effect of adoption of MFRS 119 (revised) RM'000	31.12.12 Restated RM'000	01.01.12 Previously stated RM'000	Effect of adoption of MFRS 119 (revised) RM'000	01.01.12 Restated RM'000
Retained earnings	114,071	183	114,254	100,934	183	101,117

38. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 8 April 2014 by the Board of Directors.

39. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and the Company as at 31 December 2013 into realised and unrealised profits or losses, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, is as follows:

	Group		Company	
	2013	2012 (restated)	2013	2012
	RM'000	RM'000	RM'000	RM'000
Total retained profits				
Realised	249,694	247,904	125,231	93,163
Unrealised	5,225	(15,480)	(77)	21,091
	254,919	232,424	125,154	114,254
Total share of retained profits of jointly controlled entities				
Realised	13,888	11,587	-	-
Unrealised	483	761	-	-
	14,371	12,348	-	-
Less : Consolidation adjustments	(4,529)	(8,619)	-	-
Total retained profits as per statement of financial position	264,761	236,153	125,154	114,254

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 Malaysia Securities Berhad Main Market Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad 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 42 to 112 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and 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 2013 and of their financial performance and cash flows for the year ended on that date.

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

Signed on behalf of the Directors in accordance with a Directors' resolution dated 8 April 2014

NGU EW LOOK
Director

TAN KENG MENG
Director

STATUTORY DECLARATION

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

I, Ng Cheong Seng, being the person primarily responsible for the financial management of Warisan TC Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 42 to 113 are correct.

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

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
on 8 April 2014)
)
)
)
) **NG CHEONG SENG**

Before me:

Mohammed Pudzil Bin Hj Mohd Wahi
No. W520
Commissioner for Oaths
(Pesuruhjaya Sumpah)
Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth 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, 29 May 2014 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 2013 together with the Reports of the Directors and Auditors thereon. ***Resolution 1***

2. To declare a final single tier dividend of 4.5 sen for the financial year ended 31 December 2013. ***Resolution 2***

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

   (i) Dato' Chong Kwong Chin ***Resolution 3***

   (ii) Mr Tan Keng Meng ***Resolution 4***

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

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Seow Thiam Fatt be and is hereby re-appointed a Director of the Company to hold office until the next annual general meeting, AND THAT he continues to be designated as an Independent Non-Executive Director of the Company." ***Resolution 5***

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

As Special Business

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

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

   "THAT, subject always to the Companies Act, 1965 ("Act"), the Articles of Association of the Company and approvals and requirements of the relevant governmental/regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Act to allot and issue new ordinary shares of RM1.00 each in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital (excluding treasury shares) for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." ***Resolution 7***

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

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

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 authorities." ***Resolution 8***

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

"THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.1 of the Circular to Shareholders dated 30 April 2014 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." ***Resolution 9***

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

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

   "THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.2 of the Circular to Shareholders dated 30 April 2014 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." ***Resolution 10***

10. 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 Seventeenth Annual General Meeting of Warisan TC Holdings Berhad, a final single tier dividend of 4.5 sen for the financial year ended 31 December 2013 will be paid on 26 June 2014. The entitlement date shall be 5 June 2014.

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 5 June 2014 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
LEE KWEE CHENG (MIA 9160)
ANG LAY BEE (MAICSA 0825641)
CHANG PIE HOON (MAICSA 7000388)
Company Secretaries

Kuala Lumpur
30 April 2014

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

NOTES:

1. A depositor whose name appears in Record of Depositors of the Company as at 21 May 2014 ("Record of Depositors") shall be regarded as a member entitled to attend, speak and vote at the meeting.

2. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to attend and vote for him at the meeting. A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.

3. Subject to Note 6 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with ordinary shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.

4. Subject to Note 6 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:

   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of ordinary shareholdings or the number of ordinary shares to be represented by each proxy.

6. Any beneficial owner who holds ordinary shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of ordinary shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

7. Where the Form of Proxy is executed by a corporation, it must be executed under seal or under the hand of an officer or attorney duly authorised.

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

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

EXPLANATORY NOTES ON SPECIAL BUSINESS:

(1) Resolution 7 - 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 16th Annual General Meeting held on 23 May 2013 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 16th Annual General Meeting which will lapse at the conclusion of the 17th Annual General Meeting to be held on 29 May 2014.

A renewal of the mandate is being sought at the 17th Annual General Meeting under proposed 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) Resolution 8 - Proposed Share Buy-Back

The proposed 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 2014 despatched together with the Company's 2013 Annual Report.

(3) Resolutions 9 and 10 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The proposed 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 Resolutions 9 and 10 are set out in the Circular to Shareholders dated 30 April 2014 despatched together with the Company's 2013 Annual Report.

This page has been left blank intentionally

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 Seventeenth 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, 29 May 2014 at 11:00 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Resolution 1	Financial Statements and Reports of the Directors and Auditors		
Resolution 2	Final Single Tier Dividend		
Resolution 3	Re-election of Dato' Chong Kwong Chin as Director		
Resolution 4	Re-election of Mr Tan Keng Meng as Director		
Resolution 5	Re-appointment of Mr Seow Thiam Fatt as Director in accordance with Section 129(6) of the Companies Act, 1965 and his designation as an Independent Non-Executive Director		
Resolution 6	Re-appointment of Messrs Mazars as Auditors		
Resolution 7	Proposed Grant of Authority pursuant to Section 132D of the Companies Act, 1965		
Resolution 8	Proposed Renewal of Authority for the Company to purchase its own ordinary shares		
Resolution 9	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
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.)

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

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

____
Signature/Common Seal

Number of shares held : ____________________

Date : ____________________

Notes:

1. A depositor whose name appears in Record of Depositors of the Company as at 21 May 2014 ("Record of Depositors") shall be regarded as a member entitled to attend, speak and vote at the meeting.

2. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to attend and vote for him at the meeting. A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.

3. Subject to Note 6 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with ordinary shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.

4. Subject to Note 6 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:

   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of ordinary shareholdings or the number of ordinary shares to be represented by each proxy.

6. Any beneficial owner who holds ordinary shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of ordinary shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

7. Where the Form of Proxy is executed by a corporation, it must be executed under seal or under the hand of an officer or attorney duly authorised.

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

Fold here

Affix
Stamp
here

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

Fold here

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