WARISAN TC HOLDINGS BERHAD

[Registration No. 199701009338 (424834-W)]

Annual Report 2023

Innovation & Sustainability

TABLE OF
Contents

02
Corporate Information

03
Business Divisions

04
Corporate Structure

05
President's Statement

07
Management Discussion and Analysis

18
Financial Charts

19
5-Year Financial Highlights

20
Profile of Directors

24
Profile of Key Senior Management

28
Sustainability Statement

78
Corporate Governance Overview Statement

89
Audit Committee Report

93
Statement on Risk Management and Internal Control

99
Additional Compliance Information

100
Analysis of Shareholdings

103
Ten Largest Properties of the Group

104
Statement on Directors' Responsibility for preparing the Annual Audited Financial Statements

Financial Statements

105
Directors' Report

111
Statement by Directors

111
Statutory Declaration

112
Independent Auditors' Report

116
Consolidated Statement of Financial Position

118
Consolidated Statement of Profit or Loss and Other Comprehensive Income

120
Consolidated Statement of Changes in Equity

121
Consolidated Statement of Cash Flows

125
Statement of Financial Position

126
Statement of Profit or Loss and Other Comprehensive Income

127
Statement of Changes in Equity

128
Statement of Cash Flows

129
Notes to the Financial Statements

192
Notice of Annual General Meeting

200
Administrative Notes

Form of Proxy

Personal Data Protection Notice

Corporate Information

BOARD OF DIRECTORS

Dato' Tan Heng Chew
President

Tan Keng Meng
Chief Executive Officer

Chin Yen Song
Executive Director

Lee Min On
Senior Independent Non-Executive Director

Soh Eng Hooi
Independent Non-Executive Director

Dato' Yunus bin Abd Razak
Independent Non-Executive Director

Datuk Abdullah bin Abdul Wahab
Non-Independent Non-Executive Director

BOARD COMMITTEES

Audit Committee

Chairwoman
Soh Eng Hooi

Members
Lee Min On
Datuk Abdullah bin Abdul Wahab
Dato' Yunus bin Abd Razak

Nominating and Remuneration Committee

Chairman
Lee Min On

Members
Soh Eng Hooi
Datuk Abdullah bin Abdul Wahab
Dato' Yunus bin Abd Razak

COMPANY SECRETARIES

Lee Poh Yean (MAICSA 7015043)
(SSM PC No. 202208000259)

Lee Koon Seng (MIA 8143)
(SSM PC No. 202108000587)

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CORPORATE WEBSITE

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SHARE REGISTRAR

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Services Sdn Bhd
Registration No. 197101000970 (11324-H)
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AUDITORS

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AF 001954
Wisma Golden Eagle Realty
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142-A, Jalan Ampang
50450 Kuala Lumpur, Malaysia
Tel No. : +603 2702 5222
Email : contact@mazars.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Date of Listing : 15 December 1999
Stock Name : WARISAN
Stock Code : 5016
Sector : Consumer Products & Services

Business Divisions

TRAVEL & CAR RENTAL

1

- Inbound and outbound tour
- Corporate travel
- Airline ticketing
- One-stop online travelling solution
- Car and coach rental
- Chauffeur service
- On demand car sharing platform via GoCar mobile application

MACHINERY

3

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

AUTOMOTIVE

2

- Light commercial truck
- Heavy commercial truck
- 4x4 one-tonne pick-up truck
- Passenger vehicle
- Used vehicle auction and trading
- Assembly of passenger vehicle

OTHERS

4

- Property investment
- Consumers products as in cosmetics and ladies under-garments
- Captive insurance

Corporate Structure

As at 3 April 2024

WARISAN TC HOLDINGS BERHAD
[Registration No. 199701009338 (424834-W)]

TRAVEL & CAR RENTAL

- 100% Mayflower Corporate Travel Services Sdn Bhd
- 100% Mayflower Holidays Sdn Bhd
- 100% Mayflower Online Sdn Bhd
- 100% Discovery Tours (Sabah) Sdn Bhd
- 100% Mayflower-My 2nd Home (MM2H) Sdn Bhd
- 100% Mayan Flower Travel And Virtual Tours (Taiwan) Co., Ltd
- 100% M A T Tours And Travel (Cambodia) Pte Ltd
- 100% MAT Transportation Solution (Myanmar) Company Limited
- 100% Mayflower Car Rental Sdn Bhd
- 99.64% Gocar Mobility Sdn Bhd
- 49% Mayflower Saha Travel (Thailand) Co., Ltd *

AUTOMOTIVE

- 100% Angka-Tan Motor Sdn Bhd
- 100% WTC Automotif (M) Sdn Bhd
- 84.21% MUV Marketplace Sdn Bhd
- 70% Kereta Komersil Seladang (M) Sdn Bhd

MACHINERY

- 100% TCIM Sdn Bhd
- 100% Jentrakel Sdn Bhd

OTHERS

- 100% Warisan Captive Incorporated
- 100% MUV Solutions Sdn Bhd
- 100% Warisan TC Management Services Sdn Bhd
- 75.5% Comit Communication Technologies (M) Sdn Bhd
- 50% Shiseido Malaysia Sdn Bhd **
- 50% Wacoal Malaysia Sdn Bhd **

Note:
Inactive and dormant companies are excluded from the corporate structure.
* Associated company.
** Jointly controlled entities.

PRESIDENT'S Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the Annual Report of Warisan TC Holdings Berhad for the financial year ended 31 December 2023 ("FY2023").

During FY2023, the global economy continued its journey towards post-COVID 19 recovery, even in the face of mounting uncertainties. Rapid interest rate hikes, currencies uncertainties, alongside escalating geopolitical conflicts, added complexity to the landscape. These factors reverberated through global trade and supply chains, impacting business confidence and investment sentiments, potentially impeding the trajectory of growth momentum.

In contrast to the robust growth of 8.7% in 2022, Malaysia's gross domestic product ("GDP") experienced a more moderate expansion, reaching 3.7%. In response to these challenges, the government has taken proactive measures to enhance our economic resilience, with a particular focus on strengthening domestic demand. One notable initiative is the implementation of key frameworks such as the new National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030), the Mid-Term Review of the Twelfth Malaysia Plan (MTR of the Twelfth Plan), and the Ekonomi MADANI framework. These frameworks are designed to fortify Malaysia's economic foundations and stimulate growth by fostering innovation, sustainability, and inclusivity. Through targeted policies and strategic investments, the government aims to mitigate the impact of global uncertainties while unlocking new opportunities for domestic development.

Given the prevailing headwind and global uncertainty, Warisan TC Holdings Berhad ("WTCH" or "Company") and its subsidiaries ("WTCH Group" or "Group") remains dedicated to effectively manage these challenges to ensure operational stability, continued sustainable growth and customer service excellence. We have implemented a range of strategic measures to adapt to changing business and economic conditions, add new products to our portfolios, and enhance prudent cost management initiatives. The Group has further undertaken thorough reviews of its businesses to restructure and consolidate operations for greater efficiency. We are accelerating our digital transformation efforts to adapt to the new challenges in today's technology world. We continue to prioritize cash flow management and collections to sustain the long-term viability of our operations.

FINANCIAL PERFORMANCE

In 2023, the Malaysian economy embarked on a noticeable yet moderate path to recovery. Despite persistent challenges such as disruptions in supply chains and currency fluctuations, the nation persevered, maintaining commendable progress quarter after quarter. This forward momentum was primarily fuelled by sustained growth in domestic demand, gradual enhancements in the labour market, and a strong rebound in tourism activities.

For the Group's performance, sector like Travel and Car Rental, as well as the retail division, demonstrated remarkable resilience, underscoring their adaptability in the face of adversity and challenging market conditions. Amidst stiff competition from new players in the market and volatile operational costs, the Machinery segment managed to achieve results comparable to the previous year. Similarly, the Automotive segment showed signs of improvement in its loss position, attributed to lower operating expenses resulting from strategic cost rationalisation initiatives and improved product mix. The GAC new business covering Completed Knocked Down ("CKD") programme started its implementation in 2023.

President's Statement

FINANCIAL PERFORMANCE (Cont'd)

The Group posted total revenue of RM455.2 million, representing a marginal 5% decline compared to RM480.4 million, a year ago. Despite this downturn, the Group managed to achieve a profit before tax of RM1.4 million, marking a significant improvement from the loss before tax to RM11.4 million recorded last year.

The Group maintains a healthy financial standing, underscored by shareholders' funds of RM245.6 million, up from RM234.1 million in 2022, bolstered by a revaluation surplus on the properties totalling approximately RM11.9 million. The cash and bank balances of the Group saw an increase from RM43.9 million in 2022 to RM48.5 million; driven by a positive net cash inflow in cash and cash equivalent, a notable improvement from the net cash outflow previously recorded.

The Group's net gearing ratio rose from 0.66 times of shareholders' funds in the last financial year to 0.72 times. This increase was primarily due to utilisation of bank facilities as working capital; partly for establishing facilities for the launch of CKD programme and to accommodate increased inventory level necessary for the Machinery segment.

DIVIDENDS

Amidst the persistent uncertainties stemming from prolonged geopolitical tensions and the tightening of monetary policies worldwide, coupled with the weaker than expected pace of global recovery, the Board has opted not to recommend any dividend declaration for FY2023. At this pivotal juncture, the Board deems it imperative to conserve cash to boost business sustainability particularly in anticipation of the commencement of production of the GAC vehicle scheduled for April 2024.

OUTLOOK

In the coming year, we anticipate a challenging business environment, characterised by the continued geopolitical tensions, global supply and logistics issues, escalating inflationary any rates and tighter financial conditions. These factors pose potential impacts on consumer spending patterns. Despite such uncertainties, the Malaysian Government acknowledges that charting the economic growth and overcoming the crises would not be possible without the sacrifice and dedication of the nation. The Government remains steadfast in its commitment to ensuring that all Malaysians benefit from the nation's wealth and prosperity through sustainable and inclusive growth. In recognition of this, the "Ekonomi MANDANI: Memperkasa Rakyat" framework was formulated, and these initiatives are anticipated to drive the nation's economy, with a projected growth rate of 4% to 5% in 2024. *(Source: Economy Outlook 2024)*

The Group acknowledges the forthcoming challenges and uncertainties ahead and pledges to uphold prudence in its management approach. Vigilance and responsiveness to evolving business conditions are imperative, necessitating the continual development and implementation of diversified strategies. Key focal points include intensifying efforts to augment revenue streams and bolster market presence, enhancing productivity and efficiency, and maintaining rigorous cost control measures. These initiatives serve as pivotal drivers in mitigating any potential negative impacts that may arise in the years ahead.

The Group maintains an unwavering stance in preparing and aligning the Group to effectively navigate the challenges on the horizon. With a concrete foundation established over the years and under the adept leadership of our management team, we are confident in our ability to confront and overcome the challenges in 2024.

APPRECIATION

On behalf of the Board, I would like to express our heartfelt gratitude to our loyal shareholders, valued customers, suppliers, financiers, business partners and the relevant authorities with whom we have had the privilege of interacting over the years. Your unwavering support has been instrumental in the success of the Group.

Last but not least, I would like to express my sincere appreciation to all employees and my fellow Board members for their perseverance, dedication and invaluable contributions throughout the years. Your commitment has been indispensable to our achievements and continued growth.

Thank you.

Dato' Tan Heng Chew, JP, DJMK
President
3 April 2024

Management Discussion and Analysis

2023 HIGHLIGHTS OF EVENTS

The following are the key highlights of events and activities that the Group rolled out during the year 2023:

▸ May ▸ 2023

On 11 May 2023, WTC Automotif (M) Sdn Bhd ("WTCA") announced the launch of the GAC CKD project in Malaysia in collaboration with GAC Motor International Limited ("GAC") for the Malaysian market. This is GAC's first overseas CKD programme, signalling the start of our exciting journey in Malaysia. The partnership also demonstrates both companies' commitment in bolstering their presence in the Malaysian market and supplying Malaysians with cutting-edge vehicles.

▸ June ▸ 2023

In June 2023, Gocar Mobility Sdn Bhd ("GoCar") teamed up with Yinson GreenTech ("YGT"), a green technologies business unit of Yinson Holdings Berhad, to provide a car sharing platform for YGT to place their electric vehicles (EV) for car sharing through the GoCar Share Programme. This new collaboration is part of both companies' ongoing efforts to expand accessibility of the EV experience to more Malaysians and promote the adoption of EVs in the country.

▸ September ▸ 2023

From 19 to 22 September 2023, WTCA organised a visit to GAC in Guangzhou, China for the Malaysian Automotive media for a first-hand experience and in depth understanding of the core of "Tech GAC" and the fascination of GAC craftsmanship. Media journalists had test driven several of GAC's star models, including EMZOOM, EMKOO and new energy vehicle model AION Y Plus which will be introduced to the Malaysian market in the near future.

Management Discussion and Analysis

2023 HIGHLIGHTS OF EVENTS (Cont'd)

November 2023

Angka-Tan Motor Sdn Bhd ("ATM") handed over forty (40) units of Foton Auman EST prime movers to A.M.S Maju Transport Sdn Bhd.

December 2023

An exclusive internal preview event was arranged for first time for the Group's employees to have a first-hand experience of the new GAC models to be introduced by WTCA in December 2023. Whilst this was part of our employee engagement activities to showcase the potential of the Group's new business, it also garnered strong support and positive feedback for the products and business direction.

Management Discussion and Analysis

AWARDS AND RECOGNITION

October 2023

The Group Legal, Compliance & Risk Management department of the Company was recognised in the Legal 500 GC Powerlist: Southeast Asia Teams 2023. This event which was aimed to recognise the very best in-house legal departments working across the Southeast Asia region took place at the Raffles Hotel, Singapore on 12 October 2023.

November 2023

In November 2023, the JMC Vigus Pro White Series introduced by ATM clinched the prestigious Car Of The Year ("COTY") 2023 Best Vehicle for SMEs at the Carlist.my Editor's Choice Awards. This accolade is testament to the White Series' commitment to SMEs, providing the perfect blend of power, safety, and affordability.

Others

During the year, Mayflower Travel division had again garnered numerous industry accolades in recognition for its excellent services and contribution to the industry, which include the following:

- Cathay Pacific – Top Agent Award 2023;
- Malaysia Airlines – Overall Top Malaysia Agency 2022;
- Qatar Airways – Most Valued Trade Partner 2022;
- Scoot – Malaysia Top Agency Awards 2022/2023;
- Singapore Airlines – Malaysia Top Agency Awards 2022/2023;
- Vietnam Airlines – Malaysia Gold Travel Agency 2023;
- Hahn Airlines – Among The Top Agencies Award 2022;
- Amex Global Business Travel – Data Quality Silver Excellence Award 2022 – 2023;
- Amex Global Business Travel – Sales and Pricing Silver Excellence Award 2022 – 2023.

Management Discussion and Analysis

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

WTCH was incorporated in Malaysia on 26 March 1997 and its main activities grouped under four (4) main segments as follows:

Travel & Car Rental

- Inbound and outbound tour
- Corporate travel
- Airline ticketing
- One-stop online travelling solution
- Car and coach rental
- Chauffeur service
- On demand car sharing platform via GoCar mobile application

Automotive

- Light commercial truck
- Heavy commercial truck
- 4x4 one-tonne pick-up
- Passenger vehicle
- Used vehicle auction and trading
- Assembly of passenger vehicle

Machinery

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

Others

- Property investment
- Consumers product as in cosmetics and under-garments
- Captive insurance

The Group is committed to delivering consistent growth to our an unwavering shareholders and stakeholders through a dual approach; namely active pursuits of new and innovative business ideas while maintaining an unwavering on excellence in its core operations. This commitment extends to ensuring unmatched solution via product offerings and service quality for our valued customers. The Group is also committed to sustainability as a cornerstone of our growth objectives, reflecting our dedication to responsible business practices.

Central to the Group's catalyts for growth are its current product portfolios and brands, and its capability in identifying, sourcing and marketing new quality products at competitive prices. This, combined with ongoing efforts to enhance customer satisfaction through our well-trained staff and customer service, serves as the bedrock for achieving the Group's objectives. By continuously refining these components, the Group remains poised to drive sustainable growth and create enduring value for all stakeholders.

OVERVIEW

Throughout the financial year 2023, the global economy pressed forward with its recovery from the aftermath of COVID-19, notwithstanding ubiquitous uncertainties stemming from inflation and interest rate hikes, exacerbates by escalating geopolitical conflicts. These challenges reverberated across global trade and supply chains, posing threats to the pace of growth momentum.

Despite such global headwinds, Malaysia's gross domestic product continued to exhibit positive growth, albeit at a moderate pace. The final quarter of 2023 saw an expansion in growth of 3%, before setting at 3.7% compared to robust 8.7% in 2022; primarily due to slower export growth.

The domestic economy is sustained by resilient private consumption, stable labour market conditions and strong recovery in tourism activities. These factors contribute to maintaining momentum in Malaysia's economic growth trajectory amidst the prevailing challenges.

Management Discussion and Analysis

Revenue
RM455.2
million

Profit Before Tax
RM1.4
million

Total Assets
RM725.8
million

Net Assets Per Share
RM3.77

GROUP FINANCIALS

Amidst the volatile economic environment, the Group experienced a decline in revenue; dropping by approximately 5% from RM480.4 million in the previous year to RM455.2 million. The Machinery and Automotive segments collectively contributed 74% of the total revenue. Despite this decrease in revenue, it is heartening to see the Group achieved a notable turnaround in profitability, recording a profit before tax of RM1.4 million compared to a loss before tax of RM11.4 million the previous year.

This turnaround is attributed to several factors. Firstly, the strong recovery of the Travel and Car Rental segment played a significant role. Additionally, higher profit margins in other business units, enhanced operational efficiencies and cost saving initiatives have all contributed to this turnaround. These initiatives continue to be an important part of the Group's adaptability and resilience in navigating challenging economic conditions.

The Group's financial position remained robust, evident from shareholders' funds standing at RM245.6 million, up from RM234.1 million in 2022. This growth was reinforced by a revaluation surplus on properties, totalling approximately RM11.9 million.

The Group's net gearing ratio rose from 0.66 times of shareholders' funds in the previous financial year to 0.72 times, resulting from the utilisation of bank facilities as working capital; establishing facilities for the launch of the new automotive CKD programme as well as increased inventory level required for the business in the Machinery segment.

In FY2023, the Group achieved a positive net cash inflow in cash and cash equivalent amounting to RM9.2 million, a notable improvement from the net cash outflow of RM15.2 million previously recorded. This turnaround was primarily driven by a net cash inflow from operating activities of RM14.3 million, compared to net outflow of RM2.5 million in the preceding year. Accordingly, the cash and bank balances of the Group improved up to RM48.5 million as at end of the financial year 2023 from RM43.9 million, a year ago.

As of the end of FY2023, the Group retained approximately RM80.0 million in unutilised financing facilities, instrumental to support its operational needs and strategic initiatives. This solid financial position underscores the Group's ability to effectively manage its cash flows and sustain its operation.

Management Discussion and Analysis

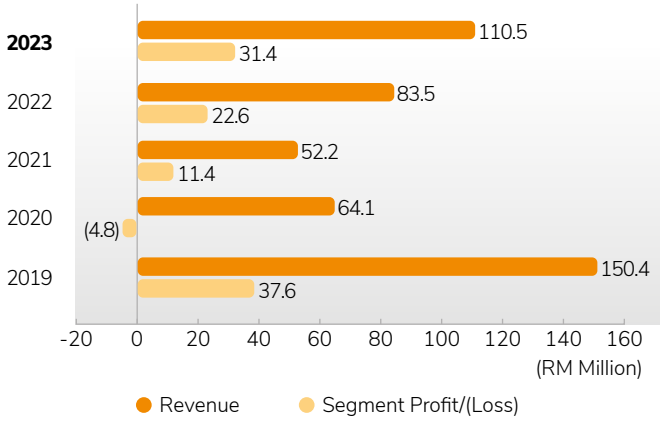
SEGMENT RESULTS AND ANALYSIS

Travel & Car Rental

In a report released by International Air Transport Association ("IATA") on 31 January 2024, the total traffic in 2023 showed significant progress towards recovery to pre-pandemic level. Globally, the traffic for the full year 2023 reached 94.1% of the level seen in 2019 before the pandemic. This positive trend has had a direct positive impact on the Travel and Car Rental segment, with the segment's revenue which increased from RM83.5 million in the previous year to RM110.5 million.

In tandem with this improved performance, the segment also recorded a commendable rise in its profit, climbing from RM22.6 million in the preceding year to RM31.4 million. This demonstrates the segment's ability to capitalize on the recovery of global air traffic, leading to tangible financial gains.

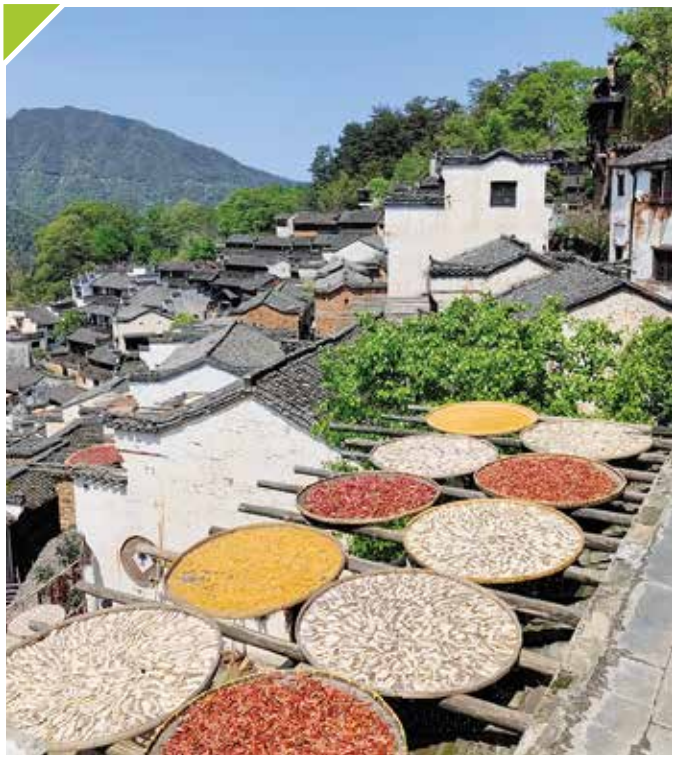
TRAVEL & CAR RENTAL SEGMENT



This segment operates two (2) major strategic business divisions under the Mayflower brand, namely the Travel division ("Mayflower Travel") and Car Rental division ("Mayflower Car Rental").

Mayflower Travel offers a comprehensive range of travel and tours services, including inbound, outbound, corporate incentive tours, medical tourism, education tourism and air ticketing services. With offices strategically located in Malaysia, Cambodia, Thailand and Taiwan, the division has established a strong regional presence.

In mid-2023, Mayflower Travel expanded its operation to New Zealand, as part of its commitment to growth and global reach. Additionally, efforts are underway to restart the business operations in Guangzhou, which were stalled in 2020 as a result of the COVID-19 pandemic.



Management Discussion and Analysis

Moving forward, the division aims to leverage synergies within the Mayflower group's regional presence. The synergistic business approach allows Mayflower Group customise the unique characteristics, in its service solutions towards meeting customer demands and tap opportunities for travel within specific geographic areas based on a cost-effective business model.

Mayflower Travel continues to improve its technology adoption and enhancement through its Mayflower Online Platform. This platform empowers customers with the convenience of performing online transactions, streamlining the booking process and enhancing overall customer experience.

Mayflower Online platform now offers integration capabilities with other content providers, broadening the spectrum of offerings available to customers. This includes diverse range of services such as hotel rooms, tour activities, car rentals and more, elevating its service offerings and meeting the evolving needs of its clientele.

Separately, Mayflower Car Rental offers comprehensive car leasing and rental services, along with coach and chauffeur services. It operates primarily in Malaysia and Myanmar, and with a strategic focus on corporate leasing, Mayflower Car Rental boasts a fleet size of approximately 1,750 units.

Despite the tumultuous and difficult situation in Myanmar since 2021, our car rental business in Myanmar, operated through MAT Transportation Solution (Myanmar) Company Limited ("MATTS"), remains profitable. By prioritizing corporate leasing, MATTS sustained its operation amidst the challenging environment. MATTS managed to generate marginal profit before tax of about RM370,000, maintaining comparable performance to the previous year.

Gocar Mobility Sdn Bhd ("GoCar"), a 99.64% owned subsidiary of Mayflower Car Rental Sdn Bhd, a pioneering force in the car-sharing platform, optimized its fleet size and enhanced its utilisation rate. To leverage the surge in demand from the cross-border travellers, GoCar has, during the FY2023, strategically expanded its presence in the southern region, specifically Johor Bahru.

As part of its commitment to adopting an Environmental, Social, and Governance ("ESG") perspective in its business operations, GoCar has expanded its fleet to include additional electric vehicles ("EVs"). These EVs now comprise approximately 10% of its fleet, reflecting GoCar's dedication to promoting sustainable mobility solutions. This initiative aligns with the Group's broader ESG objectives, emphasising the importance of environmental sustainability within its business models.

Automotive

The segment comprises three (3) active companies:

- ATM which serves as the sole distributor for Foton Brand Chinese Light Commercial and Heavy Commercial Vehicle, in addition to the JMC 4x4 one-tonne pick-up truck known as JMC Vigus Pro;
- MUV Marketplace Sdn Bhd ("MUVM"), which specialises in providing online vehicle auction services, along with the trading of second-hand and pre-owned vehicles;
- WTCA which holds the sole and exclusive distributorship for importing, assembling, distributing, and providing after-sales services for GAC vehicles, as well as spare parts and accessories in Malaysia. The first model, GAC GS3, was officially launched in end 2021, marking the commencement of WTCA's partnership with GAC and the introduction of GAC vehicles to Malaysian consumers.

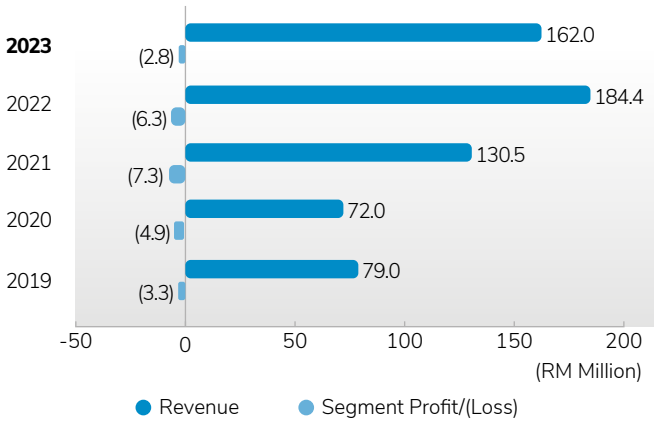
Management Discussion and Analysis

SEGMENT RESULTS AND ANALYSIS (Cont'd)

This segment reported a decrease in revenue, amounting to RM162.0 million compared to RM184.3 million in the previous year. This decline can be primarily attributed to lower sales from MUVM, which faced stiff competition from its competitors. Conversely, ATM achieved marginally higher revenue compared to the preceding year.

Despite the reduction in revenue, the segment managed to narrow its segment loss to RM2.8 million, an improvement from a loss of RM6.3 million in the previous year. This improved outcome was primarily driven by cost rationalisation efforts implemented across all the three companies. However, WTCA incurred higher expenses in its preparation for the launch of the CKD programme of its new model, the GAC Emzoom, scheduled for early Quarter 2, 2024. These expenses impacted on the segment's overall financial performance; albeit mitigated by cost saving initiatives elsewhere.

AUTOMOTIVE SEGMENT



Management Discussion and Analysis

Machinery

This business segment distributes a diverse array of equipment and machinery, encompassing a wide range of brands and types. These include, but are not limited to, Sumitomo excavators, SDLG wheel loaders, Sakai compactors, Gehl backhoe loaders, John Deere tractors, golf and turf equipment, Tonly off-road trucks, Unicarriers forklifts and kärcher sweepers.

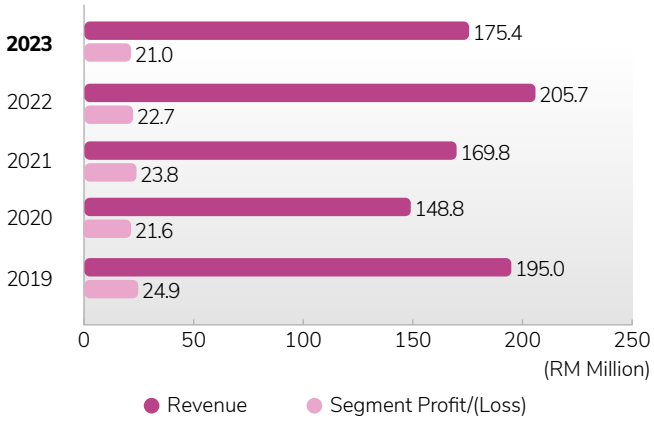
Headquartered in Shah Alam, the segment has established branches in major cities and towns across Malaysia, including Butterworth, Ipoh, Seremban, Melaka, Kluang, Johor Bahru, Kuantan, Kota Bharu, Kuching, Miri, Bintulu, Lahad Datu, Sibu, Kota Kinabalu and Sandakan.

The extensive network of branches ensures comprehensive coverage and accessibility for customers throughout the country, facilitating efficient distribution, sales, and after-sales services for the diverse range of equipment and machinery offered by the segment.

Facing tough competition throughout the year, especially with the influx of, and increased competition from China branded machineries, the segment saw a decline in revenue from RM205.7 million in prior year to RM175.4 million, Despite a 15% decline in revenue, this segment managed to sustain its profitability by chalking a marginally lower segmental profit of RM21.0 million compared to RM22.7 million in the previous year.

This reflects the segment's resilience and effective management strategies in navigating competitive pressures, focusing on improving sales margin and product mix.

MACHINERY SEGMENT



Management Discussion and Analysis

SEGMENT RESULTS AND ANALYSIS (Cont'd)

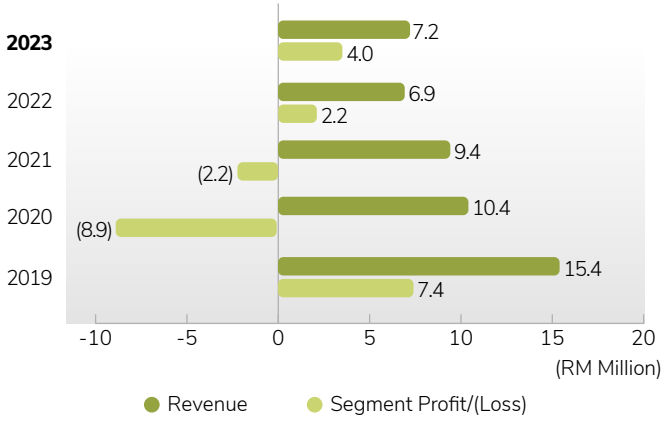
Others

In addition to its core businesses, the Group engaged in other business activities such as captive insurance services, consumer product and property investments.

For the financial year ended 31 December 2023, jointly controlled entities namely Wacoal Malaysia Sdn Bhd ("Wacoal Malaysia") and Shiseido Malaysia Sdn Bhd ("Shiseido Malaysia") collectively contributed total profit after tax of RM6.9 million, reflecting an increase from RM4.5 million in the preceding year.

Shiseido Malaysia recorded a higher profit compared to prior year, mainly due to gains from disposal of its Shiseido Professional Business (hair care line). However, this uptick was partially offset by elevated expenses associated with the establishment of new outlets in Tun Razak Exchange.

OTHERS



ANTICIPATED RISKS AND CHALLENGES

The Group is committed to protecting our shareholders' value from exposure to the various operational and financial risks. To address this matter, the Company has established a comprehensive risk management framework, that provides a structured approach to identify, evaluate, manage, report and monitor business risks which may prevent the Group from achieving its objectives.

This framework compasses establishing clear accountability measures, ensuring their application in significant decision-making processes, communicating them transparently, and seamlessly integrating them into our governance structure.

The Group has identified several risks that could pose different degree of challenges to our business.

COMPETITIVE LANDSCAPE

The Machinery segment, particularly, encountered intense competition with the influx of machineries from new players in the market which offered competitive prices. To navigate such threat and secure a competitive advantage, the segment continues to embrace differentiation in its products and after sales services; focusing on innovation, quality, customer service, or other factors that resonate with target markets. In addition, the segment is also exploring expansion into the new geographic markets, customer segments or product categories to reduce dependence on specific or traditional markets or customers. Continuous engagements with the partners or principals are crucial to ensure competitive pricing and technical and other relevant supports.

Management Discussion and Analysis

CURRENCY FLUCTUATIONS

The Group is exposed to foreign currency exchange risks on sales and purchases as well as cash and bank balances that are denominated in currency other than Ringgit Malaysia. The major currencies giving rise to this risk are primarily United States Dollar and Chinese Renminbi. The volatile fluctuations of these currencies may affect profitability, competitiveness and overall financial stability of the Group. To remediate such after concern, the Group monitors closely the currency movements and evaluates regularly the need to utilise financial instruments, considering the transaction costs and exposure period. The Group maintains credit facilities on foreign exchange forward contracts and foreign currencies accounts with several banks to hedge against adverse fluctuations in exchange rates. The Group also aligns its revenue and expenses in different currencies as a natural hedge.

OUTLOOK AND PROSPECTS

Going into 2024, the global business landscape is anticipated to be challenging, with threats stemming from geopolitical tensions, mounting inflationary pressures, and tighter financial conditions. These factors are likely to impact growth prospects and potentially decelerate recovery globally.

Malaysia, being interconnected with the international economy and financial system, is not immune to these global developments. However, amid such challenges, the outlook for Malaysia in 2024 appears promising, bolstered by robust domestic demand, improvement in the labour market conditions and a resurgence in tourism activities.

To fortify economic resilience, the Malaysia Government has implemented various pragmatic measures. These include initiatives such as the new Energy National Transition Roadmap, New Industrial Master Plan 2030 and Ekonomi MADANI, among others. These measures are aimed at enhancing economic sustainability, and fostering inclusive growth, thereby positioning Malaysia to navigate the challenges ahead with greater resilience and agility. The Government projects a gross domestic product growth of 4% to 5% in year 2024. *(Source: Economic Outlook 2024 by Ministry of Finance)*

The Group remains steadfast in its commitment to proactively manage the business challenges, striving to establish operational stability to better serve our customers. The Group has further embarked on a comprehensive array of efforts tailored to navigate the evolving business and economic landscape, prudent cost management and reduction measures. In selected business units, we have conducted thorough review, restructuring and consolidation of structures and processes, optimising business staffing levels while fostering a culture of training and self-development to enhance productivity and efficiency. Recognising the significance of technology, the Group has accelerated the digital transformation initiatives. The Group continues to maintain robust cash flow management and prioritising cash collections, paramount to ensuring the sustainability of our operation.

DIVIDEND POLICY

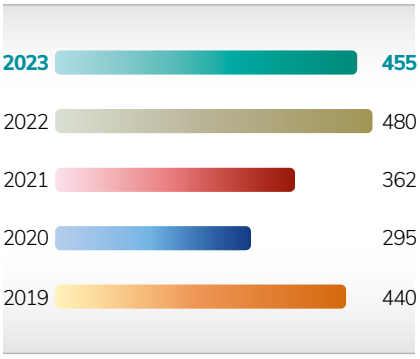
The Group has opted not to establish a fixed dividend policy, given its reliance on identifying and nurturing new business prospects to complement its existing operations. Consequently, the determination of any dividend payout, if deemed appropriate, is contingent upon the Group's cash flow requirements and business expansion plan.

The Group remains acutely aware of potential headwinds stemming from the evolving economic and financial landscapes. These may include rising input cost in materials, wages and utilities as adverse well as fluctuations in exchange rates. In light of these, the Board has decided not to recommend any dividend for the financial year ended 31 December 2023.

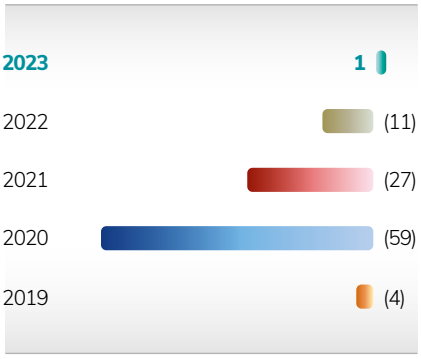
This prudent approach ensures that the Group retains flexibility in allocating resources towards strategic initiatives aimed at sustaining growth and enhancing shareholder value, while also fortifying its financial position to navigate the potential challenges in the future.

Financial Charts

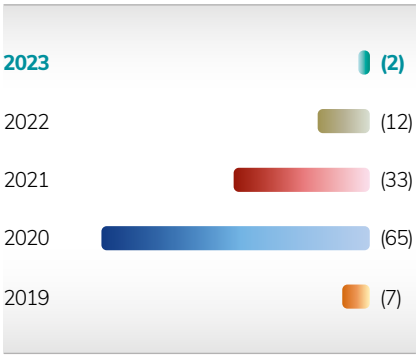
REVENUE
(RM Million)



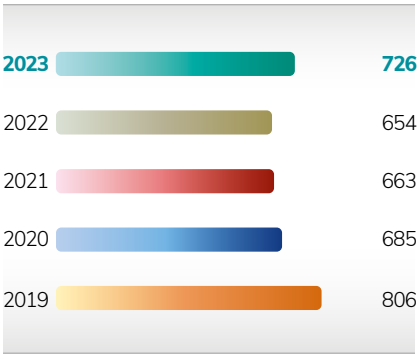
PROFIT/(LOSS) BEFORE TAX
(RM Million)



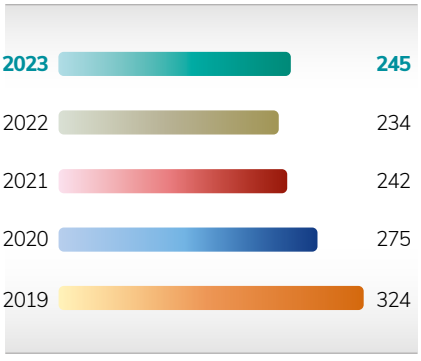
LOSS AFTER TAX
(RM Million)



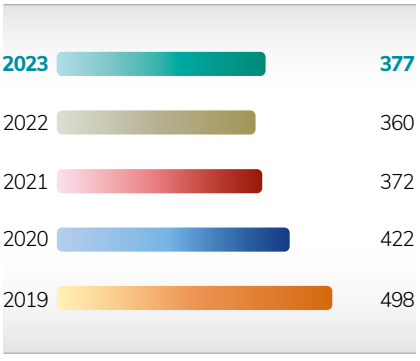
TOTAL ASSETS
(RM Million)



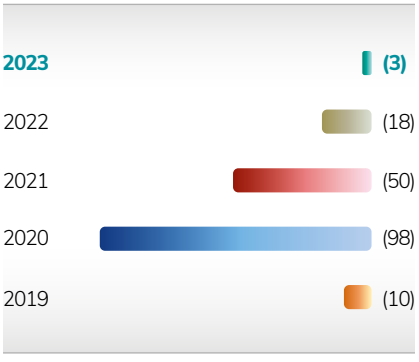
SHAREHOLDERS' FUND
(RM Million)



NET ASSETS PER SHARE
(Sen)



(LOSS)/EARNINGS PER SHARE
(Sen)



5-Year Financial Highlights

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
RESULTS					
Revenue	**455,192**	480,424	361,965	295,278	439,829
Profit/(Loss) before tax	**1,440**	(11,394)	(27,471)	(58,876)	(4,291)
Taxation	**(3,871)**	(1,116)	(6,232)	(6,681)	(3,112)
Loss after tax	**(2,431)**	(12,510)	(33,703)	(65,557)	(7,403)
Attributable to:					
Shareholders of the Company	**(1,769)**	(11,535)	(32,445)	(63,781)	(6,789)
Non-controlling interests	**(662)**	(975)	(1,258)	(1,776)	(614)
FINANCIAL POSITION					
Assets					
Property, plant and equipment	**201,832**	187,160	194,196	227,122	256,653
Right-of-use assets	**29,819**	26,230	24,210	25,480	20,871
Investment property	**43,500**	43,500	43,500	43,500	45,400
Investment in an associate	**852**	570	497	815	1,299
Investments accounted for using the equity method	**40,282**	34,748	30,760	35,078	42,129
Other investments	**6,132**	456	186	6	6
Finance lease receivables	**125**	663	2,669	2,923	2,494
Deferred tax assets	**6,480**	5,216	6,098	6,195	3,535
Intangible assets	**11,137**	10,867	10,715	12,232	12,577
Total non-current assets	**340,159**	309,410	312,831	353,351	384,964
Currents assets	**385,648**	344,862	350,315	331,886	421,132
Total Assets	**725,807**	654,272	663,146	685,237	806,096
Equity					
Share capital	**67,200**	67,200	67,200	67,200	67,200
Reserves	**182,580**	171,129	179,196	211,537	261,022
Treasury share	**(4,213)**	(4,213)	(4,213)	(4,213)	(4,213)
Total equity attributable to owners of the Company	**245,567**	234,116	242,183	274,524	324,009
Non-controlling interests	**20,722**	22,118	23,093	24,379	11,155
Total equity	**266,289**	256,234	265,276	298,903	335,164
Non-current liabilities	**32,964**	29,916	33,786	36,913	37,024
Current liabilities	**426,554**	368,122	364,084	349,421	433,908
Total Equity and Liabilities	**725,807**	654,272	663,146	685,237	806,096
FINANCIAL STATISTICS					
Basic (loss)/earnings per share (sen)	**-2.72**	-17.72	-49.84	-97.97	-10.43
Net assets per share (sen)	**377**	360	372	422	498
Return on shareholders' equity (%)	**-1.0%**	-5.3%	-13.9%	-23.9%	-2.3%
Net debt/Equity (%)	**71.8%**	65.6%	51.4%	36.3%	50.9%

Profile of Directors

DATO' TAN HENG CHEW
JP, DJMK
President
Non-Independent
Executive Director

Dato' Tan Heng Chew, aged 77, a Malaysian, male, was the first director of the Company when it was incorporated on 26 March 1997. He was appointed as the Chairman of the Board on 1 November 1999 and was re-designated as Executive Chairman on 1 January 2011. His corporate title was changed to President on 1 January 2015.

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 is also the President of Tan Chong Motor Holdings Berhad and APM Automotive Holdings Berhad.

He is also a major shareholder of the Company. He is the brother of Mr. Tan Eng Soon and is also a director and shareholder of Tan Chong Consolidated Sdn Bhd. Mr. Tan Eng Soon and Tan Chong Consolidated Sdn Bhd are major shareholders 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 seven (7) Board Meetings held in 2023.

TAN KENG MENG
Chief Executive Officer
Non-Independent
Executive Director

Mr. Tan Keng Meng, aged 65, a Malaysian, male, was appointed to the Board of the Company as Executive Director on 11 January 2012. His corporate title was changed to Executive Vice President on 1 January 2015. Mr. Tan was subsequently re-designated as Chief Executive Officer on 1 October 2015.

Mr. Tan graduated from the University of Malaya with a Bachelor of Engineering degree in 1982. Mr. Tan joined TCIM Sdn Bhd ("TCIM"), a wholly-owned subsidiary of the Company on 15 April 2010 and was subsequently appointed as Executive Director of TCIM taking charge of industrial machinery business. He also heads the Automotive Segment of the Group since October 2015.

Mr. Tan also sits on the Boards of several subsidiaries of Tan Chong Motor Holdings Berhad, such as Edaran Tan Chong Motor Sdn Bhd, Tan Chong Motor Assemblies Sdn Bhd, Tan Chong & Sons Motor Company Sdn Bhd and Tan Chong Industrial Equipment Sdn Bhd. He has held senior management positions for many years with extensive Malaysian and international experience. Prior to joining the Group, he was the Group Chief Executive Officer/Director of Tasek Corporation Berhad, a public company listed on Bursa Malaysia Securities Berhad. He was previously 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.

He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Tan attended all the seven (7) Board Meetings held in 2023.

Profile of Directors

CHIN YEN SONG
Non-Independent Executive Director

Ms. Chin Yen Song, aged 50, a Malaysian, female, was appointed to the Board on 25 November 2021 as an Executive Director. She joined the WTCH Group as Finance Manager in 2003 and was promoted to Deputy General Manager and General Manager in January 2011 and July 2015 respectively. In 2010, she was tasked to oversee the corporate travel business of Mayflower Corporate Travel Services Sdn Bhd assuming responsibilities of business development and retention, and to drive customer service excellence. Currently, Ms. Chin is the Chief Executive Officer of Mayflower Group, taking charge of the entire travel and car rental business operation (locally and overseas).

Ms. Chin is a Chartered Accountant, a Fellow Member of Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants.

Prior to joining WTCH Group, Ms. Chin worked in Singapore for more than 11 years in telecom and manufacturing companies as Accountant.

Ms. Chin attended all the seven (7) Board Meetings held in 2023.

LEE MIN ON
Senior Independent Non-Executive Director

Mr. Lee Min On, aged 64, a Malaysian, male, was appointed to the Board on 29 November 2016 as an Independent Non-Executive Director and was re-designated as Senior Independent Non-Executive Director on 1 June 2023. He is a Chairman of the Nominating and Remuneration Committee and a member of the Audit Committee.

Mr. Lee is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA"), a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Fellow Member of The Institute of Internal Auditors, Malaysia. He is also a member of Audit and Risk Management Committee of MIA.

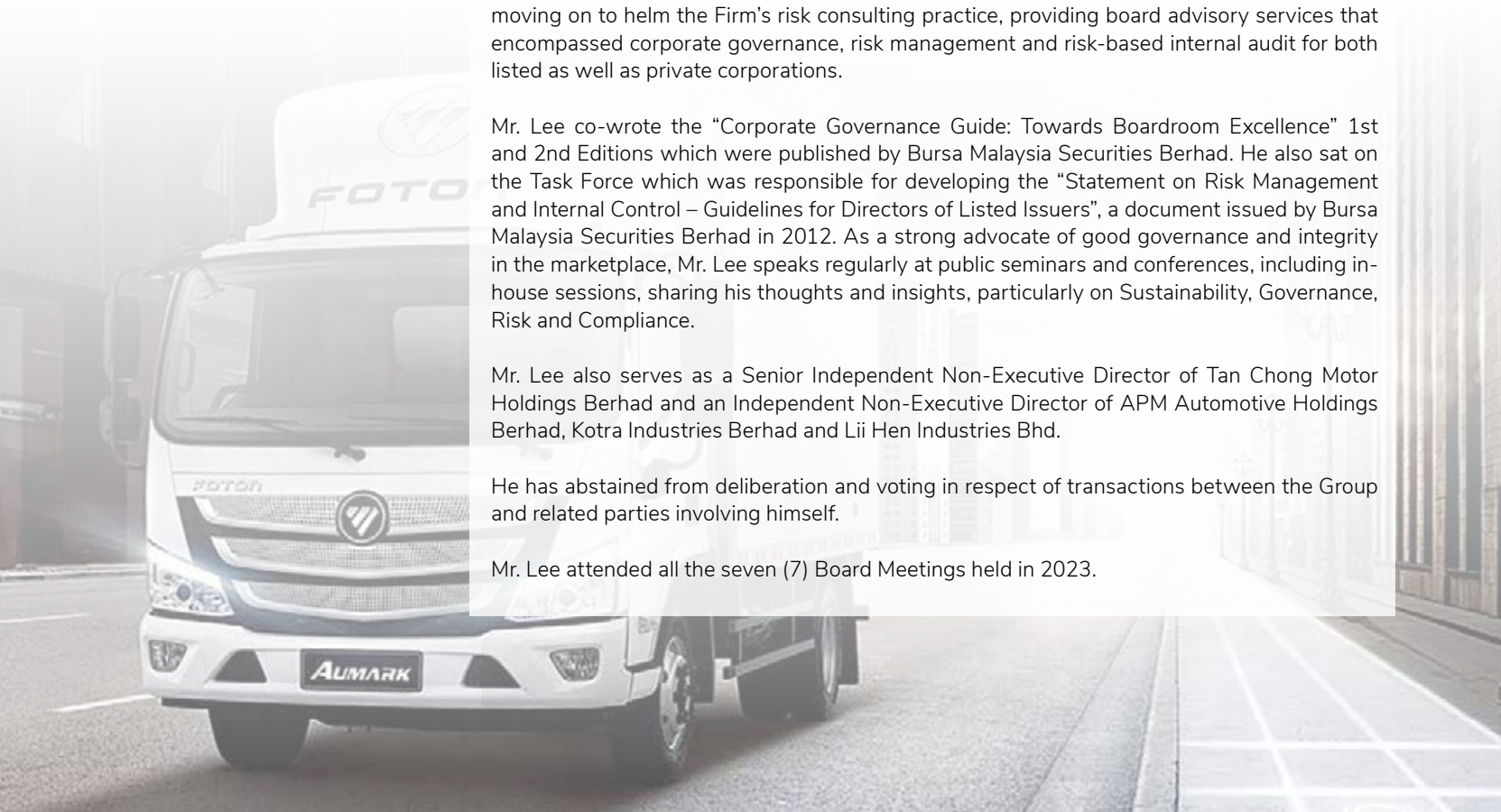
He started his career with KPMG Malaysia in 1979 and retired as a Partner of the Firm on 31 December 2015. During his tenure with KPMG, he served in the External Audit Division before moving on to helm the Firm's risk consulting practice, providing board advisory services that encompassed corporate governance, risk management and risk-based internal audit for both listed as well as private corporations.

Mr. Lee co-wrote the "Corporate Governance Guide: Towards Boardroom Excellence" 1st and 2nd Editions which were published by Bursa Malaysia Securities Berhad. He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia Securities Berhad in 2012. As a strong advocate of good governance and integrity in the marketplace, Mr. Lee speaks regularly at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Compliance.

Mr. Lee also serves as a Senior Independent Non-Executive Director of Tan Chong Motor Holdings Berhad and an Independent Non-Executive Director of APM Automotive Holdings Berhad, Kotra Industries Berhad and Lii Hen Industries Bhd.

He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Lee attended all the seven (7) Board Meetings held in 2023.



Profile of Directors

SOH ENG HOOI
Independent Non-Executive Director

Ms. Soh Eng Hooi, aged 54, a Malaysian, female, was appointed to the Board on 31 December 2020 as an Independent Non-Executive Director. She is the Chairwoman of the Audit Committee and a member of Nominating and Remuneration Committee.

Ms. Soh graduated from University of Malaya with a Bachelor of Accounting (Honours) in 1994. She is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. She started her career with Arthur Andersen & Co. Kuala Lumpur and was a partner in Baker Tilly Kuala Lumpur, an independent member firm of Baker Tilly International, before she founded E H Soh & Partners, an accounting firm, in 2015.

She is an Independent Non-Executive Director of ILB Group Berhad ("ILB") and serves as the Chairwoman of Audit & Risk Management Committee, and a member of the Nomination and Remuneration Committee of ILB. She is also the Chairwoman of Audit Committee and Remuneration Committee, and a member of the Nominating Committee and Risk Management Committee of MN Holdings Berhad.

Ms. Soh attended all the seven (7) Board Meetings held in 2023.

DATUK ABDULLAH BIN ABDUL WAHAB
KMN, DPSJ, PJN
Non-Independent Non-Executive Director

Datuk Abdullah bin Abdul Wahab, aged 73, a Malaysian, male, was appointed to the Board on 3 March 2008 as an Independent Non-Executive Director and was re-designated as Senior Independent Non-Executive Director on 23 January 2013. On 1 June 2023, Datuk Abdullah was further re-designated as Non-Independent Non-Executive Director. He is a member of Audit Committee and Nominating and Remuneration 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 seven (7) Board Meetings in 2023.

Profile of Directors

DATO' YUNUS BIN ABD RAZAK
DSDK, P.GEOL
Independent Non-Executive Director

Dato' Yunus bin Abd Razak, aged 68, a Malaysian, male, was appointed to the Board on 17 August 2022 as an Independent Non-Executive Director. He is a member of the Audit Committee and Nominating and Remuneration Committee.

Dato' Yunus graduated from the Universiti Kebangsaan Malaysia ("UKM") with a Bachelor of Science (Honours) degree in Geology in 1979. He holds a Master of Science in Engineering Geology from University of London and a Diploma of the Imperial College in Engineering Geology. He has more than 36 years of career experience in the civil service serving in the Department of Geological Survey which later rebranded as the Department of Mineral and Geoscience in 2001 and had retired as the Director General for the said department after 10 years of his excellent service.

Dato' Yunus is a Professional Registered Geologist (P.Geol.) and a retired civil servant. He was the first Chairman of the Board of Geologist Malaysia and had formerly held positions as President of the Society of Engineering Geology and Rock Mechanics, President of the Institute of Geology Malaysia, President of the Geological Society of Malaysia and Associate Fellow at Institute for Environment and Development (LESTARI) in UKM. At the regional level, Dato' Yunus was the Permanent Representative of Malaysia to the Coordinating Committee for Geoscience Programme in East and Southeast Asia ("CCOP") and had served as Chairperson for CCOP Steering Committee for three (3) years.

Currently, Dato' Yunus is Honorary Advisor and Vice Chairman for CCOP Advisory Group and Associate Fellow with Southeast Asia Disaster Prevention Research Initiative (SEADPRI) at UKM. He sits in the Board of several mineral resources related companies.

Dato' Yunus attended six (6) out of seven (7) Board Meetings held in 2023.

Save as disclosed above, none of the other Directors has:
(i) any family relationship with any Director and/or major shareholder of the Company; and
(ii) any conflict of interest in the Company.

The above Directors have not been convicted of any offence within the past five (5) years other than traffic offence, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

Key Senior Management of WTCH Group comprises Dato' Tan Heng Chew – President, Mr. Tan Keng Meng – Chief Executive Officer and Ms. Chin Yen Song – Executive Director, whose profiles are included in the Profile of Directors on pages 20 and 21 in the Annual Report 2023, and the following senior management personnel:

LEE KOON SENG
Chief Financial Officer

Mr. Lee Koon Seng, aged 56, a Malaysian, male, joined the WTCH Group on 2 December 2020 and was subsequently appointed as Chief Financial Officer of WTCH Group on 31 December 2020.

Mr. Lee is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA).

Mr. Lee began his career with Arthur Andersen/Hanafiah Raslan and Mohamad (AA/HRM) for more than 6 years. From 1993 to 2008, he held various finance and accounting positions in the companies involved mainly in construction and property development activities, which include, amongst others, Olympia Land Berhad, M K Land Holdings Berhad, Nam Fatt Corporation Berhad and Mah Sing Group Berhad.

Prior to his appointment as Chief Financial Officer in WTCH Group, Mr. Lee was the Chief Financial Officer of Kumpulan Jetson Berhad ("KJB") since 2008 and was responsible in overseeing the accounting, financial management and the risk management functions of the KJB Group and also involved in the corporate finance and planning of KJB Group.

NICHOLAS TAN CHYE SENG
Director
MUV Marketplace Sdn Bhd / Gocar Mobility Sdn Bhd

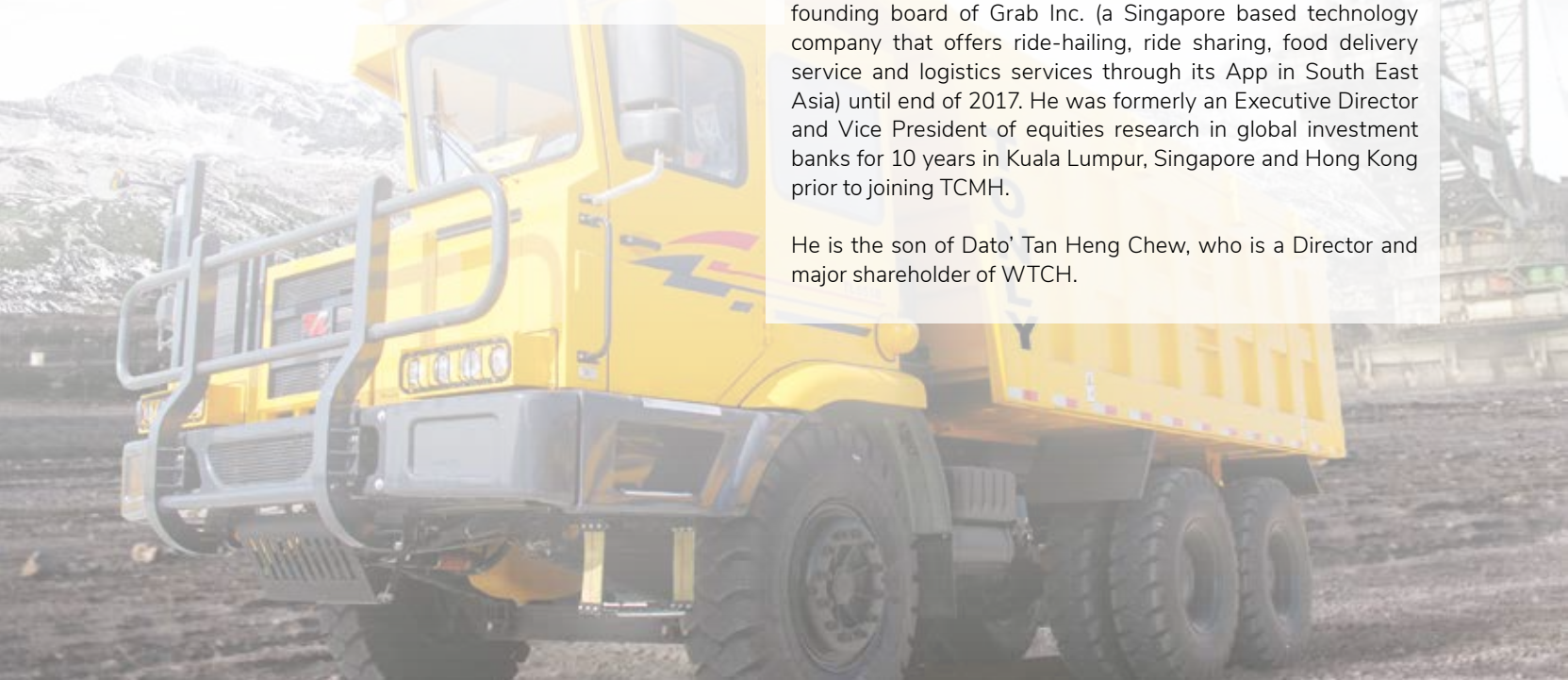
Mr. Nicholas Tan Chye Seng, aged 50, a Malaysian, male, was appointed as a Director of MUV Marketplace Sdn Bhd on 16 October 2015. Mr. Nicholas Tan is the founder of "MUV", a pioneer of an Offline2Online marketplace for used vehicles with gross merchandise value of over a billion Ringgit Malaysia in transactions recorded since 2015. He also led the investment in "GoCar" Malaysia's first car sharing platform when Mayflower Car Rental Sdn Bhd, a subsidiary of WTCH acquired a controlling stake in 2016.

Mr. Nicholas Tan graduated from Boston University School of Management, USA with a Bachelor of Science Degree.

Mr. Nicholas Tan joined Tan Chong Motor Holdings Berhad ("TCMH") in 2008 and headed the Corporate Planning and Strategic Investment Division. Today, he is the Executive Vice President of Financial Services and developed the supporting eco-system for car financing, car sharing, leasing, rentals and insurance products verticals.

He is also a Non-Independent Non-Executive Director of APM Automotive Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He was on the founding board of Grab Inc. (a Singapore based technology company that offers ride-hailing, ride sharing, food delivery service and logistics services through its App in South East Asia) until end of 2017. He was formerly an Executive Director and Vice President of equities research in global investment banks for 10 years in Kuala Lumpur, Singapore and Hong Kong prior to joining TCMH.

He is the son of Dato' Tan Heng Chew, who is a Director and major shareholder of WTCH.



Profile of Key Senior Management

TUNG SWEE HAR
General Manager
Travel Division, Travel and Car Rental Segment

Ms. Tung Swee Har, aged 65, a Malaysian, female, joined the WTCH Group in 2009 as a Senior Manager-Travel & Tours Division to develop the Wholesale Department and was promoted to Deputy General Manager on 1 January 2017 and subsequently promoted to General Manager on 1 July 2023. She is now the Head of Travel Division, Travel and Car Rental Segment, who is responsible to lead, manage and develop the overall performance of the business. She is also overseeing the travel business operations in Sabah, Taiwan and Guangzhou.

Ms. Tung holds a Diploma in Executive Secretaryship (Administrative Management) from the Stamford College. She was serving as a Committee Member of the Air Transportation Sub-Committee under the Malaysian Association of Tours & Travel Agents (MATTA) from 2016-2018.

She has more than 30 years of working experience in the travel industry covering business development, retailing, corporate incentive and wholesaling. She has represented Mayflower in various Conferences held overseas and gained valuable knowledge of the technology advancement in the industry.

CHEW YOKE TONG
Senior General Manager
Commercial Vehicles Division, Automotive Segment

Mr. Chew Yoke Tong, aged 57, a Malaysian, male, joined the WTCH Group in 2011 as Deputy General Manager and was promoted to General Manager in August 2015 in charge of admin and sales operation in Angka-Tan Motor Sdn Bhd and Kereta Komersil Seladang (M) Sdn Bhd. On 1 January 2023, he was promoted to Senior General Manager, Admin & Sales Operations, heading the Commercial Vehicles Division, Automotive Segment.

Mr. Chew is a graduate from American Heritage University and Southern Luzon State University, Republic of the Philippines with a Master in Business Administration. He is also an affiliate member of Malaysia Institute of Management (MIM). He also has Certificate in Purchasing Management and Certificate in Purchasing Skills from Singapore Institute Purchasing Material Management.

He has more than 30 years of working experience covering in Automotive, Edible oils Refinary plant, Spare Parts and Lubricants.

Ts. LOW TECK KEONG
Senior General Manager
Machinery Segment

Ts. Low Teck Keong, aged 47, a Malaysian, male, joined the WTCH Group on 1 April 2021 as Senior General Manager – Business Development of Machinery Segment in charge of business development and transformation, MarCom and machinery business.

Ts. Low is a graduate from Universiti Sains Malaysia with a Bachelor of Technology Honour Degree in Quality Control & Instrumentation. He is also a Professional Technologist and Graduate Technologist of Malaysia Board of Technologists.

Ts. Low was General Manager from MHE-Demag Malaysia, headed Demag Industrial Cranes & MHE Product Sales since 2015 in industrial and construction material handling engineering. He has more than 20 years of working experience across various industrial segments covering from sales to technical support positions, system integration & IoT, project management, manufacturing automation, Industrial IT & automation system as well as start-up and managing businesses as Country Head.

Profile of Key Senior Management

YAP KIAM BENG
General Manager
After Sales Division, Machinery Segment

Mr. Yap Kiam Beng, aged 58, a Malaysian, male, joined the WTCH Group in 1 September 2013 as General Manager, Finance and Administration in charge of accounting and finance in the Travel and Car Rental Segment. In May 2015, he was transferred to head the finance and administration of the Machinery Segment. Currently, he is also heading the spare part business, After Sales Division of Machinery Segment as well as oversees the finance function of the Automotive Segment.

Mr. Yap graduated with a Master in Business Administration, International Business from University of East London. He is also a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a member of the Malaysian Institute of Certified Public Accountants (MICPA).

Mr. Yap has more than 30 years of working experience covering audit, finance, manufacturing, education, construction, travel, automotive and industrial machinery and equipment.

LEE KING SOON
General Manager
Light Machinery Division, Machinery Segment

Mr. Lee King Soon, aged 60, a Malaysian, male, joined the WTCH Group in 1997 as Senior Manager, Finance and Administration in charge of accounting, finance, IT, administration and human resources. He was promoted to Deputy General Manager in 2008 and subsequently promoted as General Manager on 1 July 2013. Subsequently, on 1 May 2015, he was transferred to head the sales, marketing and rental of light machinery business.

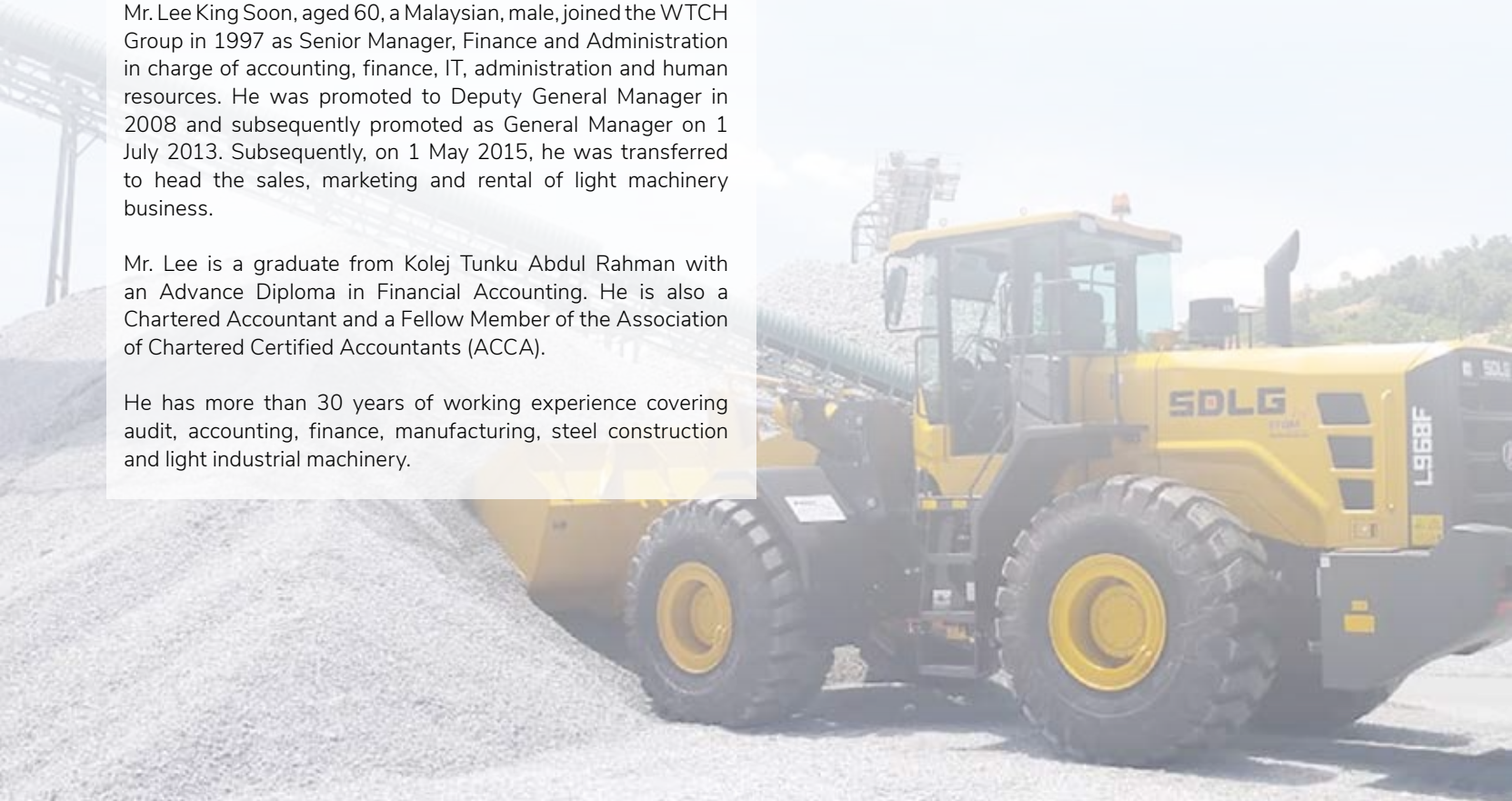
Mr. Lee is a graduate from Kolej Tunku Abdul Rahman with an Advance Diploma in Financial Accounting. He is also a Chartered Accountant and a Fellow Member of the Association of Chartered Certified Accountants (ACCA).

He has more than 30 years of working experience covering audit, accounting, finance, manufacturing, steel construction and light industrial machinery.

BEH KOK ANG
Senior Manager
Heavy Machinery Division, Machinery Segment

Mr. Beh Kok Ang, aged 43, a Malaysian, male, joined the WTCH Group in March 2012 as Engineer and was promoted to Senior Manager, Sales & Operations, Heavy Machinery Division, Machinery Segment on 1 January 2019 taking charge of the sales and operation of Heavy Machinery business primarily for the imported earthmoving and road construction equipment.

Mr. Beh obtained his Bachelor of Mechanical Engineering Degree from University of Adelaide, Australia. Prior to joining WTCH Group, Mr. Beh was the Product Sales Manager for one of the leading high precision machinery tools manufacturers in Malaysia. He has more than 15 years of working experience covering industrial product development and operation management.



Profile of Key Senior Management

NG KAR MEI
General Manager
Car Rental Division, Travel and Car Rental Segment

Ms. Ng Kar Mei, age 56, a Malaysian, female, joined the WTCH Group on 19 September 2022 as Financial Controller of Mayflower Car Rental Sdn Bhd and subsequently took up extended responsibilities on 1 January 2024 as the Head of Business of Car Rental Division, Travel and Car Rental Segment.

Ms. Ng brings with her 33 years of finance experience. Ms. Ng has held senior management positions in Niro Ceramic Group from 2013 for near a decade, and prior to that, in other Public Listed Companies. These Groups' industries cover building materials, automotive plants and distribution, consumers discretionary, stock broking financial services and others.

Her experiences include corporate restructuring, merger & acquisition, set up companies in India and Philippines, led financial, tax, legal, commercial and labour due diligences, implemented new ERP business processes, company valuation, risk management, and strategic financial, treasury, and tax management of the respective group of companies in various countries such as Spain, India, China, Indonesia, Vietnam, Philippines and Malaysia.

Ms. Ng has background in auditing with Ernst & Young (EY), and has experiences in technical accounting management with Malaysian Institute of Accountants ("MIA"), as well as value creation advisory with SMEs' owners.

She is a member of Chartered Accountants Australia & New Zealand (CAANZ), and MIA, and has a degree in Commerce from University of Otago, New Zealand. Ms. Ng is also a Licensed Practitioner of Neuro Linguistic Programming.

YAP YOKE MOI
Senior General Manager
Passenger Vehicles Division, Automotive Segment

Ms. Yap Yoke Moi, age 46, a Malaysian, female, joined the WTCH Group on 1 September 2023 as Senior General Manager of WTC Automotif (M) Sdn Bhd heading the Passenger Vehicles Division, Automotive Segment, taking charge of passenger vehicles business operation under the brand of GAC and AION.

Ms. Yap has approximately 24 years of working experience in accounting, operations control, finance operations, external and internal auditing, internal controls, systems and process enhancement. Prior to joining the WTCH Group, she joined Tan Chong Group Systems & Internal Audit Department in 2005 and subsequently transferred to Edaran Tan Chong Motor Sdn Bhd to take care of Finance Division of Nissan Business Stream and involved in new vehicles and used vehicles business in Malaysia as well as Indochina countries. She has held senior management position in Edaran Tan Chong Motor Sdn Bhd since year 2012.

Ms. Yap graduated with a Master in Business Administration from University of South Australia. She is also a Fellow Member of Association of Chartered Certified Accountants (ACCA) and member of the Malaysian Institute of Accountants (MIA).

Save as disclosed above, none of the key senior management personnel has:

(i) any directorship in public companies and listed companies;
(ii) any family relationship with any Director and/or major shareholder of the Company;
(iii) any conflict of interest with the Company;
(iv) any conviction for offences within the past five (5) years other than traffic offences, if any; and
(v) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Sustainability Statement

MESSAGE FROM CHIEF EXECUTIVE OFFICER

Dear Valued Stakeholders,

I am delighted to reaffirm our unwavering commitment to the pursuit of 'Growth with Sustainability' in the year 2023. We have continuously enhanced our workforce and operational capabilities, aligning them with strategic business decisions and expansion plans. Our dedication to Economic, Environmental, Social & Governance ("EESG") considerations remains steadfast, guiding us as we evaluate the effectiveness and impacts on value creation.

Considering the dynamic business landscape, sustainability is not merely an ethical choice; it is a strategic imperative. We firmly believe that strategic diversification and sustainability align with the idea of creating long-term value. Diversification contributes to building a resilient and adaptable business, while sustainability ensures growth without compromising future environmental and social well-being.

In response to this imperative, we actively orient the Group towards sustainable economic growth and automotive excellence through strategic investment in our subsidiaries (with GAC AION Y Plus and eAumark aligning with the EV trend). This is a pivotal step in our dedication to EESG considerations and will be an ongoing initiative that underscores our commitment to adapting to challenges and seizing opportunities with resilience and foresight.

As we move forward, we acknowledge the substantial efforts and resources required for sustainable practices. By actively collaborating with you, our valued stakeholders, we are committed to incorporating your expectations and concerns into our ever-evolving business strategies.

Our aspirations remain to CREATE a viable future, and we will continue to take concrete actions in the following focus areas:

- **C** Contribute to Community Progress and Prosperity
- **R** Reduce Environmental Impacts and Carbon Footprint
- **E** Embrace Circular Economy
- **A** Adopt Good Governance
- **T** Thrive on Resilient Business Model and Innovation
- **E** Empower Employees in the Workplace

I am optimistic and excited about the prospects that await us on this sustainability journey. With your collective support and our collaborative efforts, we are poised to achieve 'Growth with Sustainability'.

Thank you for your continued trust in Warisan TC Holdings Berhad ("WTCH"). We eagerly anticipate sharing more about our sustainability journey with you in the future.

TAN KENG MENG
CEO, WTCH Group

Sustainability Statement

REPORTING PERIOD

1 January 2023 to 31 December 2023

REPORTING SCOPE

This Sustainability Statement ("Statement") sets out the EESG performance of the Group, comprising the activities and operations of active companies in the Group which are located within Malaysia only. Overseas operations are considered insignificant in the Group's overall business and are, therefore, excluded in the reporting scope.

GUIDELINES AND REFERENCES

The preparation of this Statement is guided by the Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and the United Nations Sustainability Development Goals ("UN SDGs") blueprint.

ACCESSIBILITY AND FEEDBACK

This Statement is accessible in PDF format at our corporate website at *https://www.warisantc.com/index.php/menu-examples/menu-icons*

We welcome any feedback or suggestion about our Sustainability Statement.

REVIEW OF STATEMENT

This Statement has been independently reviewed by the Group Internal Audit for factual and content accuracy.

WHO WE ARE

WTCH was incorporated in Malaysia on 26 March 1997 and the principal activities of the Group, comprising WTCH and its subsidiaries, consist of business in Machinery, Travel and Car Rental, Automotive, Consumer Products and Services and Others. The Group has extensive expertise and vast experience in these sectors, spanning 25 years, and this has enabled us to extend our reach to other countries, namely Myanmar, Cambodia, Thailand and Taiwan.

OBJECTIVE

The Group's objective is to deliver consistent and sustainable growth to our shareholders and other stakeholders by adopting a relentless pursuit for customer excellence and innovative products, services and solutions, while ensuring that the Group operates sustainably, responsibly and ethically.

BUSINESS CONTINUITY

In response to ongoing local and global challenges, we focus on boosting productivity, optimising costs, and orienting our business activities towards Group success with sustainability factors and ethical considerations. Concurrently, we are dedicated to enhancing brand value and reputation through strategic diversification investments. This multifaceted approach, which includes rebuilding capacity and refining capabilities, positions us for resilience, with corporate responsibility in realising sustained growth in the evolving business landscape.

Sustainability Statement

THE GROUP'S SUSTAINABILITY JOURNEY

GOAL
'Growth with Sustainability'

VISION
Our vision is to be a responsible corporate citizen that embraces sustainable development, social responsibility and environmental conservation, ensuring long-term economic growth and prosperity for our shareholders and other stakeholders.

MISSION
Our mission is to enhance resilience against climate change by integrating sustainability into every aspect of our business operations, while balancing the needs of our stakeholders through responsible business practices, ethical conduct and innovative solutions.

RATIONALE
Climate change presents significant risk to businesses due to its global and long-term nature. The potential impacts of climate change are varied and potentially irreversible, including rising sea levels, increased frequency of extreme weather events and loss of biodiversity. Moreover, the almost overwhelming uncertainty surrounding the progression and effects of climate change makes it challenging to manage business effectively.

STRATEGY
'ACT RESPONSIBLE, THINK SUSTAINABLE'
We adopt a double materiality perspective, which considers both the financial impact of environmental and social issues on the Group and the impact of our operations on the environment and society.

PLAN
We aim to align our business approach with strategies and the practice of balancing the EESG factors that are essential business drivers to create value in the long run for all stakeholders, not just shareholders.

VALUE CREATION

The Group acknowledges that the prioritisation of EESG factors is a key business driver for value creation in the long run:

a) Economy

A sustainable and resilient business operating with positive brand reputation:

- Appeal to responsible investors screening for EESG criteria.
- Address circularity demands by expanding into new markets.
- Strengthen stakeholder relationships for profitability and customer loyalty.
- Improved long-term financial stability and performance through cost-saving low carbon footprint innovative solutions addressing environmental and social challenges.

b) Environmental

Sustainable business practices:

- Preserve natural resources and minimise negative environmental impacts.
- Foster the Group's long-term economic growth through sustainable development practices, enhancing efficiency and extending the lifecycles of products and services.

Sustainability Statement

VALUE CREATION (Cont'd)

c) Social

A more sustainable and equitable future for all:

- Fostering social responsibility by prioritising the safety, health and well-being of employees, customers and communities.
- Contributing to the development of local societies and advocating ethical behaviour.
- A highly engaged workforce serves as a loyal and valuable ambassador of the business brand whilst a diverse talent pool in a collaborative environment leads to increased productivity and spur innovation internally.

d) Governance

Contribute to the development of a fair and just society:

- Strong reputation with robust governance and ethical conduct.
- Effective risk management and internal controls.
- Stakeholders' trust and confidence.
- Resilient to regulatory changes.

WHERE WE ARE

- Persistently enhance capabilities and expand resources over time in pursuit of new approaches to make true advances to generate meaningful value.
- Continuously enhance our understanding and carefully manage key business growth drivers through EESG considerations, while evaluating the effectiveness and impacts on value creation.
- Orient the Group's success and automotive excellence through strategic diversification in our subsidiaries, focusing on emerging trends of advanced and modern automotive technology as well as introducing innovative electric vehicles ("EVs").

We continue our sustainability journey anchored by Warisan TC guiding principles:

W	Workforce	Skilled, Competent and Dynamic
A	Accountability	Business Ethics and Code of Conduct
R	Robust	Governance
I	Integrated-Thinking	Business Models
S	Sustainability	Integrate into every aspect of business
A	Assess Risk & Opportunities	Systematic Risk Management
N	Nimble	Leadership
T	Technology-led & Driven	Digitalisation, Electrification, Automation and Innovation
C	Communication	Transparent, Consistent and Clarity

Sustainability Statement

WHERE WE ARE (Cont'd)

We are committed to achieve our 'Growth with Sustainability' goal and have established a set of principles using the letters WARISAN TC to guide us on our sustainability journey:

W is for our Workforce, which we envision as Skilled, Competent and Dynamic. We recognise that our employees are a valuable asset and are committed to empowering them with the necessary skills and knowledge to succeed in a sustainable future.

A is for Accountability, where we uphold Business Ethics and Code of Conduct. We believe in ethical and responsible behaviour and are accountable for our actions.

R is for Robust Governance, where we ensure that our governance framework is strong, effective, fair and transparent.

I is for Integrated-Thinking, where we adopt innovative and sustainable Business Models. Integrated-thinking is a vital cog in our business models, using a holistic approach that considers all aspects of the business and its impact on the environment and society.

S is for Sustainability, which we aim to integrate into every aspect of our business and is an integral part of our decision-making process and operations.

A is for Assess Risks and Opportunities, where we adopt a systematic Risk Management approach. We believe that identifying and mitigating risks and leveraging opportunities associated with sustainability is crucial in achieving our sustainability goals.

N is for Nimble Leadership, which is crucial to thrive in today's fast-paced business world and to succeed in a sustainable future.

T is for Technology-Led and Driven, where we embrace Digitalisation, Electrification, Automation and Innovation to ensure our competitiveness and meet the needs of our customers.

C is for Communication-we recognise that transparency and clear communication are vital in building trust and fostering strong relationships that are crucial for success.

SUSTAINBILITY GOVERNANCE

The Board recognises that contribution to environment protection, economic growth and social development is as important as the financial performance of the Group.

To deliver on our sustainability agenda, we leverage on a robust governance structure that provides the necessary leadership, oversight, communication and accountability across the Group.

Pursuant to the Group's Sustainability Framework, which was formalised in November 2021, the Board has the responsibility of setting strategic direction of the Group. The Board, together with Management, is ultimately accountable for the integration of sustainability practices therein, including sustainability related strategies and their implementation towards realising the goals of the Group.

The Group aims to create sustainable value for all stakeholders by incorporating: (1) strategy and stewardship; (2) management and monitoring; and (3) accountability and assurance in its sustainability governance structure , which consists of a Sustainability Liaison Officer, Sustainability Working Group ("SWG"), Risk Management and Sustainability Committee ("RMSC"), Audit Committee ("AC") and the Board.

Sustainability Statement

SUSTAINBILITY GOVERNANCE (Cont'd)

The SWG is set up with the task to monitor the implementation of sustainability strategies and policies approved by the Board and oversee the process of stakeholder engagement as well as the steps of identifying risks and opportunities of the Group arising from the EESG pillars. The SWG is led by the Chief Executive Officer ("CEO") with support from the Chief Financial Officer ("CFO") and the Sustainability Liaison Officer who serves as the focal point to coordinate with the heads of business units and the various support functions for the implementation of the Group's Sustainability Framework.

The RMSC's main duties and responsibilities include overseeing the management of significant business risks, including the material EESG risks; ensuring resources and processes are in place to enable the Group to achieve its sustainability commitments and targets as well as advising and recommending policies and strategies on sustainability to the Board for approval. The AC is tasked to oversee the financial reporting and performance management measured against sustainability risks and opportunities.

The Board is updated regularly through RMSC and AC on matters relating to sustainability risks and performance, key material issues identified by stakeholders and the planned follow-up measures.

GOVERNANCE REPORTING STRUCTURE

MATERIALITY APPROACH

Our materiality approach is a fundamental aspect of our sustainability management process, as it enables us to align our strategies, performance management and reporting. The materiality assessment process adopted enables the Group to garner insights into the most significant EESG factors that are relevant to both our business and stakeholders.

Sustainability Statement

MATERIAL ASSESSMENT PROCESS

The assessment process conducted is summarised in the diagram below:

IDENTIFICATION

Identified key stakeholders group and sustainability issues that will affect the Group's value in short to long-term and categorised each material theme under EESG topics

PRIORITISATION

Each material theme and stakeholder group were assessed and rated on sustainability issues according to their significance of related EESG impact towards the Group's operation and its stakeholders

VALIDATION

Outcome of material assessment was validated by RMSC and approved by the Board to ensure integrity and creditability disclosure

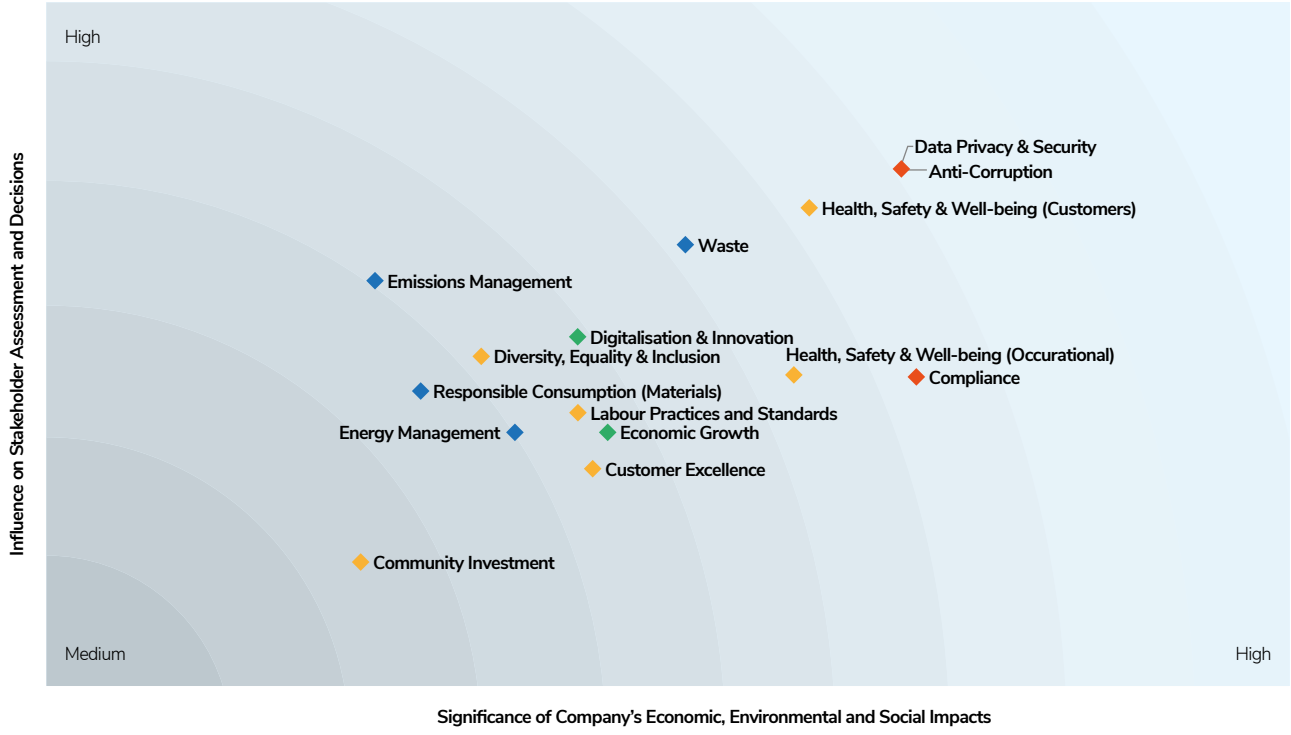
REVIEW

Internal Auditor performed an independent review to provide internal assurance on the effectiveness and integrity of the process and outcome of the materiality assessment

MATERIAL SUSTAINABILITY MATTERS

We initially conducted a structured materiality assessment that identified fifteen (15) material sustainability matters ("MSM") that are significant to the Group's business operation and to our stakeholders. Following the Amendments to Bursa Securities Main Market Listing Requirements and release of the Sustainability Reporting Guide (3rd Edition) in September 2022, we have included another two (2) common mandatory MSM, making up to a total of seventeen (17) MSMs for the Group.

MATERIALITY MATRIX



Sustainability Statement

MATERIALITY MATRIX (Cont'd)

Summary of the seventeen (17) Material Sustainability Matters

PILLARS			
ECONOMY	ENVIRONMENTAL	SOCIAL	GOVERNANCE
• Economy Growth • *Supply Chain Management* • Digitalisation and Innovation	• Emission Management • Waste • Energy Management • *Water* • Responsible Consumption - Materials	• Community Investment • Health, Safety and Well-being (Customer) • Customer Excellence • Health, Safety and Well-being (Occupational) • Diversity, Equality and Inclusion • Labour Practices and Standards	• Anti-Corruption • Compliance • Data Privacy and Security

Italics: Added following the Amendments to Bursa Securities Main Market Listing Requirements and the Sustainability Reporting Guide (3rd Edition) in September 2022.

STAKEHOLDER ENGAGEMENT

This engagement enables the Group to foster deeper connections with stakeholders, promoting long-term trust and loyalty.

By prioritising engagement and responsiveness, the Group can stay attuned to stakeholders' needs and take proactive actions to deliver greater value to its stakeholders and achieve sustained success over the long term.

Stakeholder engagement forms an integral part in steering us towards our long-term sustainability goals. We aim to build long-term trust and stronger relationships with our stakeholders through active engagement. Our business units maintain an ongoing and open line of communication with all relevant stakeholders to forge a relationship of trust and cohesive environment to strengthen our credibility. By engaging with stakeholders, we can understand and keep pace with the change in consumer preferences, enhance customer satisfaction and explore new growth opportunities.

Additionally, the MSMs are identified, assessed and prioritised through stakeholder's involvement and engagement as well.

Sustainability Statement

STAKEHOLDER ENGAGEMENT (Cont'd)

We have identified and prioritised the stakeholders, based on the level of influence and dependence of these stakeholders over the Group, and at the same time, the channels of engagement and the engagement matters with the respective stakeholders, as illustrated below:

Key Stakeholders	Material Matters	Key Needs & Expectations	Engagement Method	Frequency
Employees	• Health, Safety and Well-being (Occupational) • Labour Practices and Standards • Diversity, Equality and Inclusion	• Workplace safety, wellness and equal opportunities • Monitor on safety of company assets	• Health & Safety trainings, internal newsletters, poster displays and banners	Throughout the year
		• Equal opportunities for professional learning and development	• Training opportunities (internal and external)	Throughout the year
		• Career development and progression • Remuneration & benefits	• Succession planning • Performance review • Day to day interaction • Operations meeting • Suggestion boxes implementation • Employee satisfaction survey	
		• Employee engagement • To build rapport and support to branches • To identify gaps for a better relationship and engagement	• Festive gathering and team building activities • Town hall meetings and branch visits • Employee Satisfaction Survey	Throughout the year
		• Ethics and integrity • Responsible citizens	• Briefing to raise awareness and ensuring compliance to the relevant laws and regulations	Throughout the year
Customers	• Health, Safety and Well-being (Customer • Customer Excellence	• Product safety & quality • Sustainable supply chain	• Feedback to principals/ manufacturers on quality and product enhancement • Provide product training to customers • Pricing and product development meet	As needed
		• Customer support service and experience/ customer satisfaction • Timely customer complaint management and handling • Reduce complain cases and rejection from customers • EHS Policy • Technology & Innovation • Improve transaction volume	• Customer survey • Online review and ratings • Website/ brochure • Platform usage term and conditions • Social media • Visitation at customer service centre • Virtual meeting / chat / email response • Customer complaint channel (phone line / online web / social media) • Timely updates and communication	Throughout the year

Sustainability Statement

Key Stakeholders	Material Matters	Key Needs & Expectations	Engagement Method	Frequency
Financier	• Economy Growth	• Borrowing for new projects, expansion of business and business operations. • Money market investment	• Face-to-face / virtual meetings	As needed
Director	• Economy Growth • Compliance • Anti-Corruption	• Business strategies and sustainability • Risk management oversight • Clear and comprehensive business plans • Results and performance	• Face-to-face / virtual meetings • Board of Directors', Audit Committee and Executive Management Committee meetings	Quarterly and As needed
Suppliers	• Supply Chain Management • Digitalisation and Innovation	• Ethical supplier management • Sustainable supply chain • Product quality • Pricing and delivery schedule • Efficient and effective payment process and platform • Quality service • Process enhancement • Retainer	• Tender, bidding and quotation requests • Supplier evaluation dialogs • Assessing goods reject report • Cost rationalisation activities and dialogs • Briefings on marketing strategy • Enhancement updates • Improvement/ digitalisation on process/ workflow such as payment process/ data capturing • Face to face meeting	Throughout the year
Investors / Shareholders	• Economy Growth	• Good financial performance and results • Favourable return on investments	• Annual general meeting • Annual report	Annually
Contractor	• Supply Chain Management	• Sustainable supply chain	• Evaluation on contractor's performance	Annually
Dealer	• Economy Growth • Customer Excellence	• Increase customer base • Local market knowledge • Insights into consumer preferences and buying behaviours • Customers' feedback on product quality and service level. • Achieving sales target. • Economic sustainability.	• Face-to-face / virtual meetings • Target setting and incentives programme • Product training	Throughout the year

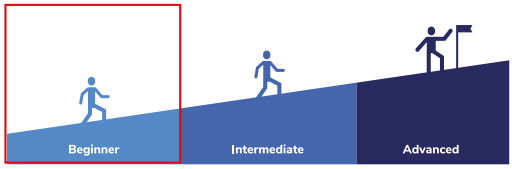
Sustainability Statement

STAKEHOLDER ENGAGEMENT (Cont'd)

Key Stakeholders	Material Matters	Key Needs & Expectations	Engagement Method	Frequency
Regulators & Government Bodies	• Compliance • Labour Practices and Standards • Anti-Corruption	• Good governance, transparency and accountability • Stay up-to-date with the relevant laws and regulations • Accurate regulatory disclosures • Ensure no corrupt practice within the bidding exercise and transaction of used vehicles • Product and services	• Active engagement and meeting with respective regulatory bodies • Submission of returns and/or report. • Training on anti-corruption practices to all personnel	As needed
Media	• Economy Growth	• Good reputation and brand image • Long-term relationship with existing customers / followers • Increase visibility to expand customers / followers base	• Interviews and press release articles • Social media posts and engagement	Throughout the year
Local Community	• Community Investment	• Supply of manpower • CSR • Community care and support • Product and services responsibility	• Talent sourcing in career fairs • Social contribution and community services • Social media/email to promote eco-friendly resorts/ itinerary/ local attractions, and to promote local products to help indigenous community (East Malaysia) • Collaboration with premise owner	Throughout the year
Industry Associations	• Supply Chain Management • Economic Growth	• Supply chain sustainability • Governmental policies and economic growth	• Face-to-face / virtual meetings	As needed
Non-Governmental Organisations (NGOs)	• Emission Management • Water • Waste • Responsible Consumption - Materials • Community Investment	• Business operation impacts on environment • Climate Change • Community welfare	• Support in environmental sustainability efforts • Cooperation and support to NGOs	As needed

Sustainability Statement

OUR PROFICIENCY AND APPROACH

LEVEL OF PROFICIENCY	OUR MANAGEMENT APPROACH
 *Source: Bursa Malaysia Sustainability Reporting Guide 3rd Ed.*	• Developed policies for MSM to increase business and operational effectiveness, efficiency and transparency as well as where regulatory requirements apply. • Framework, procedures and/or action plans are linked to several relevant key sustainability targets. • Adopted all common mandatory MSM as prescribed by Bursa Securities. • Adopted all common mandatory indicators to the MSM except for the indicator of Emission Management. • Internal company targets are set and aimed to drive internal behavioural change. • Disclosure of all reported MSM indicators and targets on a 'Rolling Basis'; with year 2021 data as the baseline. • Our Sustainability Statement was reviewed by the Group Internal Audit for factual and content accuracy.

WTCH POLICIES, PROCEDURES AND FRAMEWORKS

- Anti-Bribery and Anti-Corruption Policy
- Board Diversity Policy
- Code of Business Conduct and Ethics for Employee
- Code of Business Conduct for Third Parties
- Conflict of Interest Policy
- Corporate Disclosure Policy and Procedures
- Corruption Risk Assessment Framework
- Directors' Code of Ethics
- Directors' Fit and Proper Policy
- Environment, Health and Safety ("EHS") Policy
- External Auditors' Assessment Policy & Procedures
- Fraud Prevention Policy
- Policies and Procedures for the Remuneration of Directors and Senior Management
- Related Party Transactions Policy & Disclosure Framework
- Risk Management Policies and Procedures
- Special Complaint Policy
- Stakeholder Communication Policies and Procedures
- Sustainability Framework

OUR FOCUS AREAS

The Group is committed to maintain a balanced and practical approach in managing MSM, focusing on environmental protection, economic growth and social development. Sustainability development is essential in our daily activities to remain competitive and relevant across all business functions as well as to anticipate and leverage opportunities.

As a responsible corporate citizen, we understand that creating a sustainable future requires immediate action to ensure that future generations inherit a liveable planet. Every step we take, no matter how small, will have compounding effects towards achieving our goals through CREATE, as follows:

C – Contribute to Community Progress and Prosperity
R – Reduce Environment Impacts and Carbon Footprint
E – Embrace Circular Economy
A – Adopt Good Governance
T – Thrive on Resilient Business Model and Innovation
E – Empowerment of Employees in Workplace

Sustainability Statement

MATERIALITY ASSESSMENT

GOAL: GROWTH WITH SUSTAINABILITY				
Focus Areas C-R-E-A-T-E	**Importance to Us and Our Stakeholders**	**Material Sustainability Matters**	**Theme**	**EESG Pillars SDG**
Contribute: *Community Progress and Prosperity*	Care for the society: To increase positive social impacts.	Community Investment	Add Value to Communities • Corporate Social Responsibility ("CSR") activities.	Social 3 GOOD HEALTH AND WELL-BEING
Reduce: *Environmental Impacts and Carbon Footprint*	Care for the environment: • To reduce negative environmental impacts on air, land and water. • To switch to low carbon energy sources. • To promote responsible energy consumption. • To conserve water resource.	Emission Management	Protect and Conserve Our Environment • Reducing GHG and other airborne contaminants emission. • Decarbonisation: Green building and facilities, high-energy efficiency rating appliances, EVs, solar power system etc.	Environment 13 CLIMATE ACTION
		Waste	Protect and Conserve Our Environment • Responsible Disposal of Scheduled and General Waste.	Environment 6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		Energy Management	Protect and Conserve Our Environment • Decarbonisation: Green building and facilities, high-energy efficiency rating appliances, EVs, solar power system etc. • Encourage work from home, virtual meetings, avoid unnecessary printing etc.	Environment 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
		Water	Protect and Conserve Our Environment • Responsible water consumption. • Available clean drinking water and sanitation.	Environment 6 CLEAN WATER AND SANITATION
Embrace: *Circular Economy*	To harness maximum value.	Responsible Consumption (Materials)	Optimisation of resources, reduce the consumption of raw materials, recover waste by recycling or giving it a second life as a new product. Example: 4Rs (Reduce, Reuse, Recycle and Renew/Repair).	Environment 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Adopt: *Good Governance*	To demonstrate good leadership and strong internal controls.	Anti-Corruption Compliance	Demonstrate Integrity and Accountability in Sustainability Development • Laws and Regulations.	Governance 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	To prevent harmful breaches and data loss.	Data Privacy and Security	• Data Protection and Cybersecurity Threats.	

Sustainability Statement

MATERIALITY ASSESSMENT (Cont'd)

GOAL: GROWTH WITH SUSTAINABILITY				
Focus Areas C-R-E-A-T-E	**Importance to Us and Our Stakeholders**	**Material Sustainability Matters**	**Theme**	**EESG Pillars SDG**
Thrive: *Business Model and Innovation*	To keep building capacity and capability.	Economy Growth	Resilient Business Model • Agile against disruptions (e.g. Covid -19 pandemic). • Sustainable profitability and financial management. • Investing and operating businesses by applying EESG lens.	Economy 8 DECENT WORK AND ECONOMIC GROWTH
	To build resilience against supply chain disruptions.	Supply Chain Management	Resilient Business Model • Sustaining and driving local economic growth.	Economy 8 DECENT WORK AND ECONOMIC GROWTH
	To keep pace with the fast evolving world.	Digitalisation and Innovation	Technology-Driven and Innovation for Better Reach, Products, Services and Customer Experience • Enhance technology capability – Digitalisation and Automation to improve operational speed, accuracy, efficiency and effectiveness. • Transform business via new platform. • Conducive environment for innovation.	Economy 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	To maintain good quality and safe products/services.	Health, Safety and Well-being (Customer)	Technology-Driven and Innovation for Better Reach, Products, Services and Customer Experience • Product safety and responsible customer protection.	Social 3 GOOD HEALTH AND WELL-BEING
	To enhance customer relationship and experience.	Customer Excellence	Technology-Driven and Innovation for Better Reach, Products, Services and Customer Experience • Availability, accessibility and reliability of products and services. • Professional, responsive and timely customer support and communication.	Social 8 DECENT WORK AND ECONOMIC GROWTH

Sustainability Statement

MATERIALITY ASSESSMENT (Cont'd)

GOAL: GROWTH WITH SUSTAINABILITY				
Focus Areas C-R-E-A-T-E	**Importance to Us and Our Stakeholders**	**Material Sustainability Matters**	**Theme**	**EESG Pillars SDG**
Empower: *Employees*	To protect our workforce and workplace.	Health, Safety and Well-being (Occupational)	Competent Workforce: People Growth, Engaged Employees and Diverse Talent Pool • Health, Safety and Well-being (Occupational) and Mental Health.	Social 3 GOOD HEALTH AND WELL-BEING
	To build dynamic teams.	Diversity, Equality and Inclusion	Competent Workforce: People Growth, Engaged Employees and Diverse Talent Pool • Diverse and Inclusive Environment. • Non-discriminating, Fair and Safe Workplace.	Social 5 GENDER EQUALITY 10 REDUCED INEQUALITIES
	To care for our people: Employee enrichment.	Labour Practices and Standards	Competent Workforce: People Growth, Engaged Employees and Diverse Talent Pool • Continuous Training and Development Programme. • Employee benefits, welfare, rewards, accomplishment recognition, appreciation, autonomy and management support.	Social 4 QUALITY EDUCATION

Sustainability Statement

RISK AND OPPORTUNITIES IDENTIFIED

Focus Areas C-R-E-A-T-E	Ref. ID	Material Sustainability Matters	Risks	Opportunities
Contribute: *Community Progress and Prosperity*	MSM1	Community Investment	• N/A	• Creating positive social impacts and enhancing corporate image, branding and reputation.
Reduce: *Environmental Impacts and Carbon Footprint*	MSM2	Emission Management	• Increased operational costs, sanctions for non-compliance and increasing prevalence of environmental hazards.	• Review business operations and processes to reduce CO2 emission. • Redefine business strategies and product offerings for the travel, automotive and machinery segments in support of environmental protection efforts at both international and national level.
	MSM3	Waste	• Environmental pollution, health hazards, legal and regulatory compliance issues and reputational damage.	• Resource recovery, recycling materials, cost savings, additional revenue generation, innovation in waste reduction and disposal and mitigating health and safety issues.
	MSM4	Energy Management	• Inefficient use of energy will lead to higher operating expenses and higher carbon footprint. • High initial cost to invest in energy efficient appliances and renewable energy sources. • Reduced profitability if carbon tax is implemented.	• Cheaper to maintain energy efficient appliances in long term. • Cost savings and carbon tax incentives on renewable energy sources.
	MSM5	Water	• Water wastage leading to water shortage impacting the community and industry.	• Sustainable water management enhances efficiency, reduces waste and saves on operating cost.
Embrace: *Circular Economy*	MSM6	Responsible Consumption (Materials)	• Overconsumption can lead to biodiversity loss, ecosystem degradation, environmental hazards, deprivation of future generations' basic needs and a shortage of raw materials for production.	• Redefine business strategies and product offerings that optimise resources and reduce negative environmental impacts.

Sustainability Statement

RISK AND OPPORTUNITIES IDENTIFIED (Cont'd)

Focus Areas C-R-E-A-T-E	Ref. ID	Material Sustainability Matters	Risks	Opportunities
Adopt: *Good Governance*	MSM7	Anti-Corruption	• Reputation damage, monetary sanctions and business loss due to corrupted practices and unethical business transactions.	• Increased credibility and trust with the stakeholders and business partnership opportunities within the industry.
	MSM8	Compliance	• Reputation damage, monetary sanctions and business disruption resulted from non-compliances with legal and regulatory requirements.	• Reputable company trusted by stakeholders, preferred by customers and possessing competitive edge with improved business operations.
	MSM9	Data Privacy and Security	• Negative publicity, revenue and customer loss and monetary sanctions resulting from data breaches, compliance violations and operational disruptions.	• Enhanced cyber resilience with skilled employees, efficient business operations, effective data protection systems and capable security technology/solutions.
Thrive: *Business Model and Innovation*	MSM10	Economy Growth	• Potential losses of the Group may lead to decreased shareholder value, underperforming share prices, lower income tax contributions, reduced employee income and a negative impact on the local economy.	• Constantly enhancing business strategies, leveraging key business growth drivers and ensuring profitable operations.
	MSM11	Supply Chain Management	• Challenges arising from supply chain disruptions and regulation changes that prioritise environmental and social issues.	• Sustainable supply chain practices can enhance cost-effectiveness, reduction in emission, increase in job opportunities and income of local community and resilience against supply chain disruption.
	MSM12	Digitalisation and Innovation	• Obsolete technologies and products, inadequate data analysis tools and inefficient supply chain integration will result in loss of market share, revenue, errors, omissions and inconvenience for customers.	• Gain competitive advantage with new products, better data analysis and compliance, seamless payment solutions and enhanced customer experience.
	MSM13	Health, Safety and Well-being (Customer)	• Accidents and incidences that may lead to fatality, severe injury, sanctions and negative publicity.	• Establish trust with customers and strengthen the corporate image and brand reputation.
	MSM14	Customer Excellence	• Negative perception on corporate image and brand reputation. • Loss of customers, sales and revenue.	• Establish trust with customers and strengthen the corporate image and brand reputation. • Customer base, sales and revenue growth.

Sustainability Statement

Focus Areas C-R-E-A-T-E	Ref. ID	Material Sustainability Matters	Risks	Opportunities
Empower: *Employees*	MSM15	Health, Safety and Well-being (Occupational)	• Accidents and incidences that may lead to fatality, severe injury, operation downtime, asset damage, sanctions and negative publicity.	• A safe and healthy workplace and work conditions can boost employee productivity and performance, reduce workplace accidents/incidents, lower absenteeism and turnover rates and minimise healthcare costs and workers' compensation claims.
	MSM16	Diversity, Equality and Inclusion	• Communication barriers, low employee morale and conflicts arising from workplace discrimination and unfair treatment.	• Improved operational efficiency and decision-making process by bringing fresh perspectives, creativity, and innovation to the business. • Benefits of good reputation, wider customer base, increased employee satisfaction and positive corporate culture.
	MSM17	Labour Practices and Standards	• Incompetent workforce, disengaged employees and in ability to attract talents. • Negative publicity and poor reviews in professional networking and job search sites.	• Be the preferred employer with good human resource management and positive corporate culture to increase the capability and capacity for business growth.

INDICATORS AND PERFORMANCE TARGETS

We adopted all common mandatory indicators as prescribed by Bursa Securities except for Emission Management, which we intend to align within the timeline set by Bursa Securities. As a starting point for the Group, internal targets are set to drive behavioural change.

Sustainability Statement

CROSS MAPPING AGAINST COMMON MATERIAL SUSTAINABILITY MATTERS AND INDICATORS

WTCH Ref. ID	WTCH Prioritised Sustainability Material Matters	Bursa Malaysia Common Sustainability Material Matters	WTCH Indicators	Indicator Type • (Aligned) to Bursa Malaysia Common Indicators • Company (Internal) Indicators	WTCH Targets • Available Targets = Company's Internal Target • Industry Benchmark Targets = None
MSM1	Community Investment	Community/ Society (Aligned)	a) Total number of CSR activities b) Total amount invested in the community where the target beneficiaries are external to the listed issuers c) Total number of beneficiaries of the investment in communities	a) Internal b) Aligned c) Aligned	a) 10 CSR Activities per year b) N/A c) N/A
MSM2	Emission Management	Emission Management (Aligned)	a) Percentage of electric and hybrid vehicles and machineries in total fleet (Rental Business – Car and Machineries) b) Percentage of electric and hybrid vehicles and machineries in total fleet – Increment by yearly basis (%)	Internal	a) 5% increase of the number of electric, hybrid vehicles and machineries on yearly basis b) Achieve 10% of electric, hybrid vehicles and machineries in total fleet by 2026
MSM3	Waste	Waste Management (Aligned)	(Machineries Business) a) Total waste generated in metric tonnes b) Total waste diverted from disposal in metric tonnes c) Total waste directed to disposal in metric tonnes	Aligned	N/A
MSM4	Energy Management	Energy Management (Aligned)	a) Energy intensity – Megajoules (MJ) consumed per Ringgit Malaysia (RM) revenue generated b) Total energy consumption	a) Internal b) Aligned	a) Reduction of 5% of MJ consumed per RM (revenue) generated by 2026 b) N/A
MSM5	Water	Water (Aligned)	Total volume of water used in Megalitres (ML)	Aligned	N/A

Sustainability Statement

CROSS MAPPING AGAINST COMMON MATERIAL SUSTAINABILITY MATTERS AND INDICATORS (Cont'd)

WTCH Ref. ID	WTCH Prioritised Sustainability Material Matters	Bursa Malaysia Common Sustainability Material Matters	WTCH Indicators	Indicator Type • (Aligned) to Bursa Malaysia Common Indicators • Company (Internal) Indicators	WTCH Targets • Available Targets = Company's Internal Target • Industry Benchmark Targets = None
MSM6	Responsible Consumption (Materials)	N/A	a) (Travel Business) Number of sustainable tourism such as green hotels and eco-friendly products promoted b) (Manufacturing Business) Number of product sample developed with sustainable materials c) (Rental Business – Car and Machineries) Ratio of used/ total vehicles and machineries rental	N/A	a) (Travel Business) ≥ 5 posts promoting sustainable tourism per year b) (Manufacturing Business) Develop at least 2 new product samples with sustainable materials per year c) (Rental Business – Car and Machineries) Target: 60% used vehicles and machineries/ total fleet by 2026.
MSM7	Anti-Corruption	Anti-Corruption (Aligned)	a) Percentage of employees who have received training on anti-corruption by employee category. b) Percentage of directors who have received training on anti-corruption. c) Percentage of operations assessed for corruption-related risks. d) Confirmed incidence of corruption and action taken.	a) Aligned b) Internal c) Aligned d) Aligned	a) 100% employees b) 100% directors c) 100% operations d) Zero
MSM8	Compliance	N/A	a) Total monetary value of fines. b) Total number of non-monetary sanctions for non-compliance with laws and regulations.	N/A	Zero non-compliance with laws and regulations
MSM9	Data Privacy and Security	Data Privacy and Security (Aligned)	a) Number of substantiated complaints, concerning breaches of customer privacy and losses of customer data. b) Number of incidents of successful cyber-attack.	a) Aligned b) Internal	a) Zero b) Zero

Sustainability Statement

CROSS MAPPING AGAINST COMMON MATERIAL SUSTAINABILITY MATTERS AND INDICATORS (Cont'd)

WTCH Ref. ID	WTCH Prioritised Sustainability Material Matters	Bursa Malaysia Common Sustainability Material Matters	WTCH Indicators	Indicator Type • (Aligned) to Bursa Malaysia Common Indicators • Company (Internal) Indicators	WTCH Targets • Available Targets = Company's Internal Target • Industry Benchmark Targets = None
MSM10	Economy Growth	N/A	Revenue	N/A	Yearly Revenue growth of 5%
MSM11	Supply Chain Management	Supply Chain Management (Aligned)	Proportion of spending on local supplies	Aligned	N/A
MSM12	Digitalisation and Innovation	N/A	Numbers of digitalisation and automation projects improving operational efficiency and effectiveness	N/A	At least 1 project per year
MSM13	Health, Safety and Well-being (Customer)	N/A	Number of complaints and accidents due to product safety	N/A	Zero complaints and accident due to the product safety
MSM14	Customer Excellence	N/A	Customer Survey Ratings: a) 1 to 2 stars - Detractor b) 3 stars - Neutral c) 4 to 5 stars - Promoter	N/A	3 stars and above - by 2024 4 stars and above - by 2026
MSM15	Health, Safety and Well-being (Occupational)	Health and Safety (Aligned)	a) Number of work-related fatalities. b) Lost Time Incident Rate (LTIR) and Severity Rate (SR). c.1) Average training hours per employee on health and safety standard. c.2) Percentage of employees who have completed at least 2 training hours on health and safety standard. d) Number of employees trained on health and safety standards	a) Aligned b) Aligned c) Internal d) Aligned	a) Zero fatalities b) Yearly 10% reduction for LTIR and SR c) At least 2 training hours per employee d) 100% of employees trained on health and safety standards from year 2023
MSM16	Diversity, Equality and Inclusion	Diversity (Aligned)	a) Percentage of employees by gender. b) Percentage of directors by gender and age group	a) Internal b) Aligned	a) Deviation of not more than 10% of employees by gender from the ratio of year 2021 b) At least 1 woman director any one point in time

Sustainability Statement

WTCH Ref. ID	WTCH Prioritised Sustainability Material Matters	Bursa Malaysia Common Sustainability Material Matters	WTCH Indicators	Indicator Type • (Aligned) to Bursa Malaysia Common Indicators • Company (Internal) Indicators	WTCH Targets • Available Targets = Company's Internal Target • Industry Benchmark Targets = None
MSM17	Labour Practices and Standards	Labour Practices and Standards (Aligned)	a.1) Total hours of training per employee per year by employee category. a.2) Total hours of training. a.3) Average hours of training per employee. a.4) Percentage of employees who have completed at least 20 hours of training. b) Percentage of employees that are contractors or temporary staff c) Total number of employee turnover by employee category d) Number of substantiated complaints concerning human rights violations.	a) Internal b) Aligned c) Aligned d) Aligned	a) At least 20 hours per employee b) N/A c) N/A d) Zero

PROGRESS AND PERFORMANCE

CREATE – Contribute to Community Progress and Prosperity:

We believe in the importance of giving back to the communities. Through our Community Investment programme, we are able to engage with local stakeholders, identify areas of need and support initiatives that create positive social impacts extending beyond our business operations and benefiting future generations.

[MSM1] Community Investment: Making a Positive Social Impact Funding and supporting local charities and non-profits organisations through CSR activities that benefit the community.		
Scope: GROUP	Target: 10 CSR activities per year (Achieved)	
Total number of CSR Activities: **14**	Total amount invested in the community where the target beneficiaries are external to the Group: **RM35,237.45**	Total number of beneficiaries of the investment in communities: **671**

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

CREATE – Contribute to Community Progress and Prosperity (Cont'd):

We are proud to share our community investment initiatives and key activities aimed at making a positive difference in the lives of those in need. We believe in giving back to the communities, and these programmes represent our commitment to social responsibility and philanthropy:

1. **Donation to Kebajikan Amal Da Ai Malaysia - Case 1660:** Supporting the welfare and well-being of individuals in need through financial assistance. TCIM Sdn Bhd ("TCIM") made a cash donation of RM1,000 towards fundraising efforts for a newborn baby diagnosed with a congenital heart disease for life-saving surgery.

2. **Flood Aid for Mayflower Car Rental Sdn Bhd ("MCR") Staff:** Extending support to our staff affected by the flash floods in Johor Bahru.

3. **Donation to Persatuan Makanan Ehsan 1:** Contributing to organisations dedicated to providing food assistance to homeless, jobless and low-income group B40. Angka-Tan Motor Sdn Bhd ("ATM") sponsored 100 food packs worth RM1,000 through the Cooked Food Distribution programme by Persatuan Makanan Ehsan Free Food Society (FFS), aimed at providing food aid to the homeless, B40, and unemployed individuals registered with Pertubuhan Kesihatan dan Kebajikan Umum Malaysia (PKKUM).

4. **Donation to Persatuan Makanan Ehsan 2:** Contributing to organisations dedicated to providing food assistance to the residences of People Housing Project (PPR). In further collaboration with FFS, ATM sponsored 100 food packs worth RM5,000 for residence of the PPR, a government resettlement programme catering to the housing needs of the low-income B40 group.

5. **Donation to Rumah Amal Budi Bistari:** Supporting charitable homes and shelters to provide a safe and caring environment for those in need. TCIM contributed RM7,414 in cash and daily necessities to support the welfare, care, and education of orphans, impoverished children, and children in need of protection at this charity childcare centre.

Sustainability Statement

6. **Hari Raya Celebration Dinner for Orphanage:** Spreading joy and celebrating festive occasions with orphaned children, creating memorable experiences for them. TCIM made a cash donation, donated daily necessities, raya shirts and treats in the sum of RM7,415 and invited orphaned children and their guardians for the TCIM Hari Raya dinner. MCR sponsored a bus with a capacity of 44 seats and a van with a capacity of 9 seats with drivers as transportation for the children and their guardians.

7. **Donation to Kebajikan Amal Da Ai Malaysia - Case 1715:** Continuing our support for charitable causes that uplift marginalised communities. TCIM made a cash donation of RM1,000 towards the fundraising efforts for a second life-saving heart surgery of premature baby diagnosed with a severe congenital heart disease.

8. **Methodist Crisis Relief & Development ("MCRD") Charity Run:** Participating in charity events to raise funds for humanitarian relief efforts and community development projects. WTCH Group made a cash donation of RM4,750 to MCRD, aiming to support vulnerable communities such as refugees and orang asli in Malaysia.

9. **Donation to YouShan Disabled Welfare Centre:** Assisting organisations dedicated to supporting individuals with disabilities, enabling them to lead fulfilling lives. MCR, Mayflower Corporate Travel Services Sdn Bhd, and Mayflower Holidays Sdn Bhd collectively contributed a total sum of RM2,250 for 45 disabled adults and children cared for and housed in this centre.

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

CREATE – Contribute to Community Progress and Prosperity (Cont'd):

10. **AiYiDe Old Folks Home Visitation at Pertubuhan Kebajikan Warga Emas Kenang Budi Kuala Lumpur:** Engaging with elderly residents of care homes, providing companionship and support. TCIM contributed RM4,342 in cash and daily necessities to support the welfare and care of 14 elderly residence.

11. **Sponsorship Programme Merintis Masa Hadapan:** Investing in the future by sponsoring educational and skill-building programmes for youth empowerment. MCR sponsored RM500 for this programme organised by the students of University Putra Malaysia (UPM) attended by Form 5 students from SMK Sri Tapah, Perak, majority orang asli.

12. **Recycling Programme:** Continuing our commitment to environmental stewardship through ongoing recycling initiatives. Tan Chong Apparels Manufacturer Sdn Bhd ("TCAM") collected a total of 47 kg of recyclable materials for Persatuan Perkhidmatan Komuniti Taiping.

13. **Blood Donation Programme:** Promoting health and well-being by organising blood donation drives to support healthcare institutions and patients in need. TCAM invited Taiping Hospital Blood Transfusion Department for its Blood Donation Programme, which collected a total of 23 bags of blood.

14. **Sharing at the Legal 500 GC Summit Malaysia 2023 at Le Méridien Kuala Lumpur:** On how to manage a modern legal department by our Ong Yin Ee, Head of Group Legal, Compliance and Risk Management on a voluntary basis. Attended by more than 230 of Malaysia's top in-house lawyers. The event was organised in association with a few law firms, and complimentary for all participants.

Sustainability Statement

CREATE – Reduce Environmental Impacts and Carbon Footprint:

Reducing our environmental impacts and carbon footprint is crucial to minimise negative effects on nature and people, while also improving efficiency, promoting responsible disposal, and ensuring the health, safety, and well-being of human beings. As a responsible corporate citizen, the Group places great emphasis on environmental sustainability and conservation. To achieve these goals, we take proactive measures to conserve energy, water and natural resources, as well as implementing waste management and recycling programmes. Our efforts not only protect and conserve the environment but also contribute to the overall betterment of society.

[MSM2] Emission Management: Reducing GHG and Other Airborne Contaminants Transitioning to low carbon energy sources is crucial to reduce our carbon footprint and mitigate climate change by limiting the emission of greenhouse gases.	
Scope: Rental Business – Car and Machineries	
Target No.1 (Achieved) 5% increase of the number of electric, hybrid vehicles and machineries on yearly basis.	Performance No.1 Compared to the target of FYE2022: ↑ **8.02%**
Target No.2 (On-track) Achieve 10% of electric, hybrid vehicles and machineries in total fleet by 2026.	Performance No.2 Total fleet of electric, hybrid vehicles and machineries ratio: **14.9%**
Moving Forward: • Accelerate the pace of transitioning from ICE vehicles and machineries to hybrid and electric alternatives to achieve our 2026 target. • Replace ICE vehicles and machinery with hybrid and electric alternatives as they reach their end-of-life or are due for replacement. • Actively promote the adoption of electric or hybrid vehicles for rental or term-subscription services.	

In line with the Group's goal for 'Growth with Sustainability,' our subsidiaries have invested in and undertaken sustainability projects working towards achieving the global goal of net zero emission.

Electrification Journey

The Group has embarked on a journey to diversify its product mix to include EVs and create the necessary infrastructure to support the EV eco-system.

Automotive

One of the significant initiatives by the Group to integrate sustainability into every aspect of the Group's business operations is the electrification of its automotive division with the transition from internal combustion engine (ICE) vehicles to EVs. This transition is crucial to the Group to reduce our carbon footprint and mitigate the impact of climate change.

Through our wholly-owned subsidiary, WTC Automotif (M) Sdn Bhd ("WTCA"), the Group plans to launch a new EV, the GAC AION Y Plus, into the Malaysian automotive market. This EV is powered by an in-house magazine lithium iron phosphate (LFP) battery pack, which boasts the world's first Magazine Battery Safety Technology.

With the anticipated introduction of this EV in 2024, we hope to encourage decarbonisation and promote eco-friendly travel to the community in Malaysia. This strategic move reflects our dedication to shaping a sustainable automotive industry and supporting global efforts towards carbon neutrality. Through strategic collaborations with innovative international companies, we aim to continue introducing more EVs to the Malaysian market to promote sustainable development while creating long-term value for our stakeholders.

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

CREATE – Reduce Environmental Impacts and Carbon Footprint (Cont'd):

Automotive (Cont'd)

In addition to the anticipated launch of an electric SUV by WTCA, through another wholly-owned subsidiary by us, ATM has also made plans to launch the eAumark and the Aumark S Euro 4 light-duty truck.

The eAumark which is an electric truck, will reduce carbon footprints, offer unparalleled efficiency and eco-friendliness, ensure cleaner air and quieter streets for the future generations. On the other hand, the Euro 4 truck will set a new standard for sustainability in diesel-powered vehicles. It is engineered to meet the stringent Euro 4 emission standards, which will significantly reduce levels of harmful pollutants, including nitrogen oxides (NOx) and particulate matter. By prioritising environmental responsibility without compromising performance, the Euro 4 truck will exemplify our unwavering commitment to driving positive change.

Machinery

Apart from the transition from ICE vehicles to EVs in the Group's automotive division, we have taken key steps to launch the electrification process of our machinery division through the introduction of battery operated machinery.

Under the Group's wholly-owned subsidiary, TCIM, our journey towards electrification began with electric counterbalance forklifts powered by Sealed Lead Acid (SLA) batteries, a technology that has been in the market for decades. However, the landscape shifted significantly in 2020 with the rising recognition of lithium iron phosphate (LiFePO4) batteries, also known as LFP batteries, as a superior alternative. This prompted TCIM to swiftly introduce forklifts and stackers equipped with LFP batteries into the Malaysian market.

The adoption of Zero Emission LFP batteries revolutionised material handling equipment, including forklifts and motorised pallet trucks. In 2021, we took a significant step by converting SLA battery-powered forklifts to LFP battery replacements, demonstrating our commitment to sustainability and innovation. Continuing our momentum in 2023, we engaged in discussions with our principals to integrate electrification into other machinery segments, such as wheel loaders and tractors.

Our electrification journey is not only about adopting modern technologies but also about driving environmental sustainability and operational efficiency. Through leveraging cutting-edge battery technologies and strategic partnerships, we are positioned to lead the way in electrifying machinery and equipment across various sectors.

Travel and Car Rental

Aside from the Automotive and Machinery divisions, the Group has also taken steps to increase its EV fleet and accessibility to EV rentals in its Travel and Car Rental segment. To emphasise the Group's dedication to sustainability, the Group has set targets to increase the number of electric, hybrid vehicles and machineries by 5% on a yearly basis and to achieve 10% of electric, hybrid vehicles and machineries in its total fleet by 2026.

Under the Group's 99.64% stake in Gocar Mobility Sdn Bhd ("GoCar"), GoCar's GoEV initiative aims to promote and enhance the accessibility of EVs in Malaysia, offering a greener and more sustainable alternative to traditional mobility options.

The GoEV car sharing services were initially launched in December 2021 with the Nissan Leaf EV. Since then, GoCar has expanded its fleet to include over 30 vehicles, available at more than 20 locations in Klang Valley and Penang. Alongside the Nissan Leaf, GoCar introduced the Renault Zoe and Ora Good Cat to its fleet, further diversifying GoCar's EV options. GoCar's partnership with Gentari Green Mobility Sdn Bhd enables customers to access GoEV car sharing vehicles through the Gentari Go mobile application, providing convenience for those seeking to rent an EV.

In supporting EV adoption, GoCar has introduced EV charge point operators, including Shell Recharge, Jom Charge, chargEV, and Gentari. Through GoCar's discovery programme, customers can easily locate nearby EV charging stations. By April 2024, both Gentari and chargEV intend to offer roaming services, allowing customers to activate and pay for EV charging directly through the GoCar mobile app, further streamlining the use of EVs by the community.

Furthermore, GoCar's GoEV subscription offers customers who are interested in purchasing an EV the opportunity for an extended test drive experience. With weekly or monthly subscription plans, GoEV Subs features a wide range of EV models such as the Tesla Model Y, Hyundai Ioniq 5, Hyundai Kona EV, BYD Atto 3, Mini Electric, Renault Zoe and Nissan Leaf. This programme is designed to provide the public with a comprehensive experience of the EV lifestyle, helping and encouraging them to make informed decisions about the transition to EVs.

Our wholly owned subsidiary, MCR, is currently monitoring new EV products in the market and is actively encouraging its customers to rent or lease EVs. MCR EV fleet includes models from Tesla and Renault, further enhancing consumers access to sustainable mobility options.

Sustainability Statement

Solar Power Adoption

In the Group's efforts to integrate sustainability into every aspect of the Group's business operations, the Group through its subsidiaries has implemented solar power adoption initiatives internally and via investments in other companies. These initiatives minimise carbon footprint, lower costs and supports sustainability.

Floating Large-Scale Solar Photovoltaic

TC Sunergy Sdn Bhd (of which our subsidiary, TCIM, owns a 9% share) is involved in the floating large-scale solar photovoltaic plant in Serendah, Selangor which is expected to supply 1,043,114 MWh of green energy to Tenaga Nasional Berhad under a 25-year Power Purchase Agreement. This will contribute to a reduction of 610,221 tonnes of CO2 (Carbon Dioxide) emissions to the atmosphere, equivalent to removing 132,656 units of cars from the road, or the planting of 29,058,175 trees over the period of 25 years.

Aerial View of the floating large-scale solar – Serendah

Rooftop Solar

In view of the contribution of the photovoltaic solar system, our wholly-owned subsidiary, MCR, is installing a 62.70kWp rooftop solar system which is expected to reduce 44.75 tonnes of CO2 which is equivalent to planting 2,131 trees and removing 10 cars from the road annually and TCIM is currently evaluating the feasibility of installing a rooftop solar system at two of its premises.

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

CREATE – Reduce Environmental Impacts and Carbon Footprint (Cont'd):

[MSM3] Waste: Responsible Disposal of Waste Responsible management (handling and disposal) of waste is crucial to reduce the environmental impact of waste and prevent harm to human health and the ecosystem.		Scope: Machineries Business
Target: N/A	Performance: (a) Total waste generated: **50.8 Metric Tonnes** (b) Total waste diverted from disposal: **48.6 Metric Tonnes** (c) Total waste directed to disposal: **2.1 Metric Tonnes**	
Moving Forward: • Monitor and analyse waste generation and disposal patterns to identify opportunities for waste reduction and diversion. • Implementation and enforcement of waste segregation and recycling programmes to ensure recyclable materials are diverted from landfills.		

[MSM4] Energy Management: Responsible Consumption and improving energy efficiency Responsible energy consumption promotes efficiency, reduces waste, minimises carbon footprint, lowers costs, and supports sustainability.		Scope: GROUP
Target (Not on-track) Reduction of 5% of Megajoules (MJ) consumed per RM (revenue) generated by 2026.		
Total MJ consumed per RM (revenue) generated: **0.0688 MJ/RM** Compared to FYE2021: ↑ **1.9%**	Total energy consumption: **32,944,000 MJ**	
Moving Forward: • Continuously promote energy conservation awareness among employees and encourage them to reduce energy consumption both at work and in their personal lives. • Continuously opt for energy-efficient technologies, including LED lighting, efficient heating, ventilation, air-conditioning systems and energy-saving equipment in order to reduce overall energy consumption.		

[MSM5] Water: Ensuring Availability. Provision of clean water for drinking and sanitation. Water conservation is crucial for ensuring a sustainable supply of freshwater for present and future generations, reducing strain on limited resources, supporting human needs and mitigating climate change impacts.	
Scope: GROUP	Target: N/A
Total water consumption: **25.359 Megalitres**	
Moving Forward: Continuously promote water conservation awareness among employees and encourage them to reduce water consumption both at work and in their personal lives.	

Sustainability Statement

CREATE – Embrace Circular Economy:

The embrace of a circular economy is driven by the desire to reduce environmental impact by optimising the use of resources, reducing the consumption of raw materials, and recovering waste through recycling or repurposing it as a new product. This can be achieved through the 4Rs of reduce, reuse, recycle and renew/repair, as well as by prolonging the life-cycle of products through repair, remanufacturing, retrofitting or promoting a new/second life through upcycling. Embracing a circular economy also presents an opportunity for businesses to generate revenue through promoting sustainable tourism, sharing/subscription and rental models.

[MSM6] Responsible Consumption – Materials Embracing a circular economy maximises material value while promoting responsible consumption and optimising material handling and management efficiencies.	
Scope: Travel, Manufacturing and Rental Businesses	
Target No.1 (Achieved) (Travel Business) At least 5 posts promoting sustainable tourism per year.	Performance No.1: (Travel Business) No. of post promoting sustainable tourism: **142 posts**
Target No.2 (Achieved) (Manufacturing Business) Develop at least 2 new product samples with sustainable materials per year.	Performance No.2: (Manufacturing Business) No. of new product samples with sustainable materials: **9 samples**
Target No.3 (On-track) (Rental Business – Car and Machineries) 60% used vehicles and machineries/ total fleet by 2026.	Performance No.3: (Rental Business – Car and Machineries) Used vehicles and machineries/ total fleet: **60%**
Moving Forward: Continuously explore opportunities for developing partnerships with suppliers or collaboration with organisations who share our commitment to sustainability.	

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

CREATE – Adopt Good Governance:

Adopting good governance practices is the pathway to create positive social impact, demonstrating integrity and accountability, building trust and credibility with stakeholders and fostering transparency, accountability and ethical behaviour in all business activities. Our Group can achieve long-term success by aligning policies with societal interests, being transparent in operations, building trust and promoting ethical behaviour. Good governance practices can also attract customers, investors and employees who value ethical behaviour and social responsibility.

[MSM7] Anti-Corruption: Zero Tolerance A strict zero-tolerance policy towards corruption is critical to maintain our Group's integrity and reputation, prevent financial losses and promote ethical behaviour in all business dealings.	Scope: GROUP
Targets (Achieved) a) 100% employees who have received training on anti-corruption by employee category. b) 100% directors who have received training on anti-corruption. c) 100% operations assessed for corruption-related risks. d) Zero confirmed incidence of corruption and action taken.	
Performance: a) Percentage of employees trained on anti-corruption by employee category: ✓ Senior Management: **100%** ✓ Mid-Management: **100%** ✓ Executive: **100%** ✓ Non-executive: **100%** b) Percentage of directors trained on anti-corruption: **100%** c) Percentage of operations assessed for corruption-related risks: **100%** d) No. of confirmed incidence of corruption and action taken: **Zero**	
Moving Forward: • Continuously implement thorough corruption risk assessment and monitoring. • Continuously annually train directors, ensuring they stay informed about anti-corruption regulations and policy changes. • Reinforce the importance of anti-corruption measures and keep all employees updated on any relevant changes. • Emphasise implementation of anti-corruption control measures and regularly evaluate the effectiveness of policies and procedures.	

[MSM8] Compliance: No Compromise Compliance without compromise is crucial, demonstrating integrity, accountability, and sustainability efforts by adhering to all applicable laws, rules, regulations, and internal company policies and procedures.	
Scope: GROUP	Target (Not achieved) Zero non-compliance with laws and regulations
Total monetary value of fines: **RM54,135** incurred by 2 subsidiaries.	Total number of non-monetary sanctions for non-compliance with laws and regulations: **Zero**
Action Plan: The Standard Operating Procedures ("SOP") will be further enhanced through review and improvement process, followed by comprehensive meetings with all relevant personnel. The aim is to effectively communicate and ensure timely implementation of the changes in the SOP, with the ultimate goal of mitigating non-compliance in the future.	
Moving forward: • Enhance training, supervision and regular communication to minimise human error. • Implementing automation to enhance the monitoring and tracking of tasks that necessitate timely renewal or payment.	

Sustainability Statement

[MSM9] Data Privacy and Security: Capabilities and Preparedness We prioritise cybersecurity to safeguard sensitive data and maintain customer privacy, taking proactive measures to prevent breaches that could result in financial losses and harm to reputation. Our effective data protection strategy includes preparedness against cybersecurity threats, ensuring we are skilled and equipped to manage any potential breach or attacks.		Scope: GROUP
Targets (Achieved) a) Zero number of substantiated complaints, concerning breaches of customer privacy and losses of customer data. b) Zero number of incidents of successful cyber-attack.		
Number of substantiated complaints, concerning breaches of customer privacy and losses of customer data: **Zero**	Number of incidents of successful cyber-attack: **Zero**	
Moving Forward: • Implement thorough risk assessment on cybersecurity risk. • Prioritise data protection and system security control measures and regularly assess and monitor the effectiveness. • Conduct of mandatory yearly awareness programme to train employees on data protection.		

CREATE – Thrive on Resilient Business Model and Innovation:

We believe that by driving innovation and embracing technology, we can continue to evolve and meet the changing needs of our customers, while delivering a positive social impact. We are committed to continuously improving our business model and leveraging technology to create value for our customers and society as a whole.

[MSM10] Economy Growth Economic performance is utmost importance for delivering profitability and maintaining a healthy financial performance as well as creating value for our stakeholders towards a sustainable business commitment. Resilient business model with EESG considerations as key business growth drivers attract investors and mitigate economy leakages.		Scope: GROUP
Target (Achieved) Yearly Revenue growth of 5%	Total Revenue: **RM478.7 Million** Compared to the target of FYE2022 (RM405.8 Million): ↑ **18.0%**	
Action Plan: Proactively pursue strategic diversification into emerging markets or related industries to tap into new revenue streams and reduce reliance on the economic conditions of a single country.		
Moving Forward: • Continuously enhance risk management efforts to effectively address emerging trends to remain agile and adaptable to market changes, explore new opportunities and adjust business strategies accordingly. • Maintain the integrity of risk management and governance frameworks to ensure compliance with EESG regulations and standards, whilst regularly reviewing and evaluating the effectiveness of the EESG strategy for continuous improvement and long-term success. • Intensify engagement with stakeholders to understand their needs and expectations and integrate their feedback into the business strategy. • Explore and implement sustainable business practices, such as energy-efficient operations, waste reduction and responsible supply chain management.		

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

CREATE – Thrive on Resilient Business Model and Innovation (Cont'd):

[MSM11] Supply Chain Management A sustainable supply chain fosters long-term development and resilience against disruptions. Strong strategic partnerships with shared sustainability goals spur local economic growth while preserving the environment.	
Scope: GROUP	Target: N/A
Proportion of spending on local supplies by subsidiaries of the Group: Ranging from **85% to 100%**	
Moving Forward: • Engage stakeholders to raise awareness about the importance of supply chain management, identify collaboration opportunities and enhance network for cost-effectiveness and predictable delivery lead times. • Embark on completely knocked down and localisation projects to ensure constant supply, reduce emission and support the local economic growth.	

[MSM12] Digitalisation and Innovation Digitalisation enables businesses to automate processes, streamline operations and enhance their overall efficiency. Innovation, on the other hand, drives creativity and enables businesses to stay ahead of the curve by introducing new products, services and business models. Fit-for-purpose system and technology are essential resources for enhancing business operation efficiency and effectiveness.	Scope: GROUP
Target (Achieved) At least 1 project digitalisation and automation project per year improving operational efficiency and effectiveness	Performance: • **37** ongoing and completed projects ranging from enhancing online presence, vehicle launches, digitising documents, developing new car sharing features, and various enhancements to improve customer experience and profitability across platforms.
Moving Forward: • Initiatives to enhance digital experience and seamless payment platform for customers. • Engage with all stakeholders to identify improvement areas for operational accuracy, efficiency and effectiveness. • To identify opportunities and accelerate digital transformation and innovative business solutions.	

Sustainability Statement

[MSM13] Health, Safety and Well-being (Customer) We prioritise customer health, safety, and well-being by providing high-quality and safe products/services that adhere to strict quality and safety standards.		Scope: GROUP
Target (Achieved) Zero number of complaints and accident due to the product safety.	Performance: Number of complaints and accident due to the product safety: **Zero**	
Moving Forward: Ensure product safety and maintain customer trust by prioritising quality over cost, while continuously improving based on customer feedback.		

[MSM14] Customer Excellence: Professional Relationship Management Customer excellence drives profitable growth. To ensure the sustainable growth of our business, we prioritise the experience and satisfaction of our customers by delivering high-quality products and services.		Scope: GROUP
Target (On-track) Customer Relationship Management and Customer Survey Ratings: a) 3 stars and above - by 2024 b) 4 stars and above - by 2026	Performance of subsidiaries: Ranging from **2.8 to 4.6.**	
Moving Forward: • Consistently elevate customer service and support standards throughout the entire customer journey, prioritising reputation management and fostering strong stakeholder relationships. • Ensure employees are properly trained and enhance communication platforms to deliver excellent customer service and satisfaction. • Regularly conduct market research to stay attuned to consumer preferences, market trends, and competitor activities. This enables proactive adjustments to brand positioning as needed. • Actively collaborate with customers to identify and address areas of concern, while also strengthening engagement in EESG initiatives		

Sustainability Statement

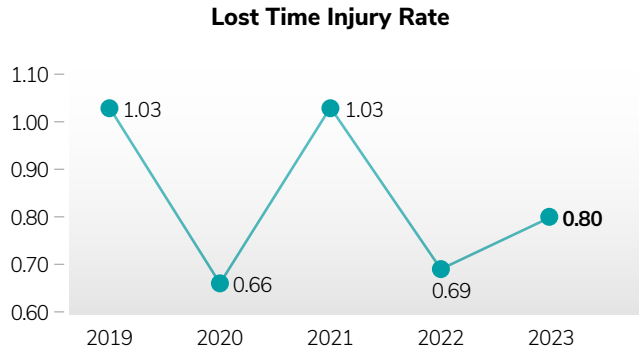
PROGRESS AND PERFORMANCE (Cont'd)

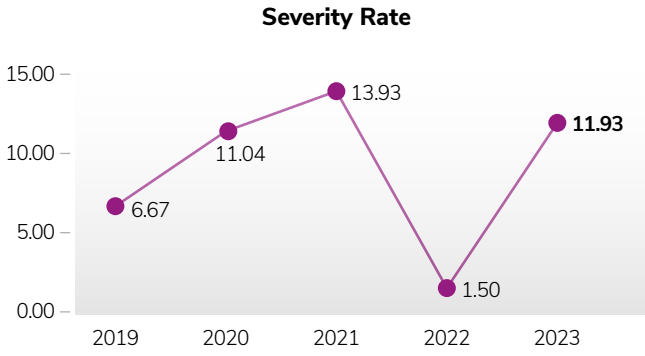
CREATE – Empowerment of Employees in Workplace:

Empowering employees in the workplace not only contributes to a positive social impact but also results in a competent workforce. By providing opportunities for people growth, the Group can engage its employees, promote diversity and build a talented workforce. Empowered employees feel valued, motivated and engaged in their work, which can lead to higher job satisfaction, increased productivity and better organisational performance. Additionally, a competent workforce that values employee empowerment can positively impact the community by creating a culture of inclusivity, diversity and innovation, resulting in a more sustainable and successful business environment.

[MSM15] Health, Safety and Well-being (Occupational) We prioritise the health, safety, and well-being of our workforce and workplace by adhering to the highest standards. We are committed to continually improving our health and safety performance.	Scope: GROUP
Target No.1 (Achieved) a) Zero fatalities case.	Performance No.1: a) No. of fatality case: **Zero**
Target No.2 b.1) Yearly 10% reduction for Lost Time Injury Rate ("LTIR"). (Achieved) b.2) Yearly 10% reduction for Severity Rate ("SR"). (Not achieved)	Performance No.2: b.1) LTIR = **0.80** Compared to the target of FYE2022 (0.93): ↓**14%** b.2) SR = **11.93** Compared to the target of FYE2022 (12.54): ↓**5%**
Target No.3 (Not achieved) c) At least 2 training hours per employee on health and safety standards.	Performance No.3: c.1) Average training hours of health and safety training: **8.30** c.2) Percentage of employees who have completed at least 2 training hours on health and safety standard: **62%**
Target No. 4 (Achieved) d) 100% of employees trained on health and safety standards from year 2023.	Performance No.4: d) **100%**

Remarks:
In 2023, the LTIR reduced by 14% and SR reduced by 5%, compared to the target of FYE2022. The investigation revealed that 57% of workplace accidents occurred during non-operational activities. These incidents were mainly attributed to a lack of awareness.





Moving forward:
- Continuously take appropriate measures to address potential hazards at workplace.
- Continuously promote safe system of work, personal responsibility for safety and sharing of lessons learned in transparent manner to enhance safety culture and foster safe working environment.

Sustainability Statement

[MSM16] Diversity, Equality and Inclusion In our multigenerational workforce, we bridge the gap by fostering effective collaboration, embracing inclusivity and recognising and leveraging the strengths of each individual, ensuring that we value diversity, promote inclusiveness and provide equal opportunities for all. We uphold a culture of respect and fairness towards all our employees as well as evaluating and rewarding them based on their skills and contributions.		Scope: GROUP
Targets (Achieved) a) Deviation of not more than 10% of employees by gender. b) At least one (1) woman director any one point in time.	Performance: a) Deviation of **<10%** of employees by gender from the ratio of year 2021. b) **Two (2)** women directors.	
Moving forward: • Emphasise the importance of accurately recognising and valuing the contributions of all employees for the overall success of the Group. • Consideration to implement a more effective and streamlined talent management strategy that fosters a supportive environment and ensures equity for employees across all levels, from back to front office, in the performance review process.		

Diversity and Equal Opportunity

We promote inclusiveness and equal opportunity in the workplace, regardless of ethnicity, gender, age or background. All employees are treated equally within the Group and are appraised and rewarded based solely on their merits. Diversity brings together people with different backgrounds, perspectives, and experiences. When individuals from diverse backgrounds collaborate, they bring unique ideas and approaches to problem-solving, fostering innovation and creativity within the organisation.

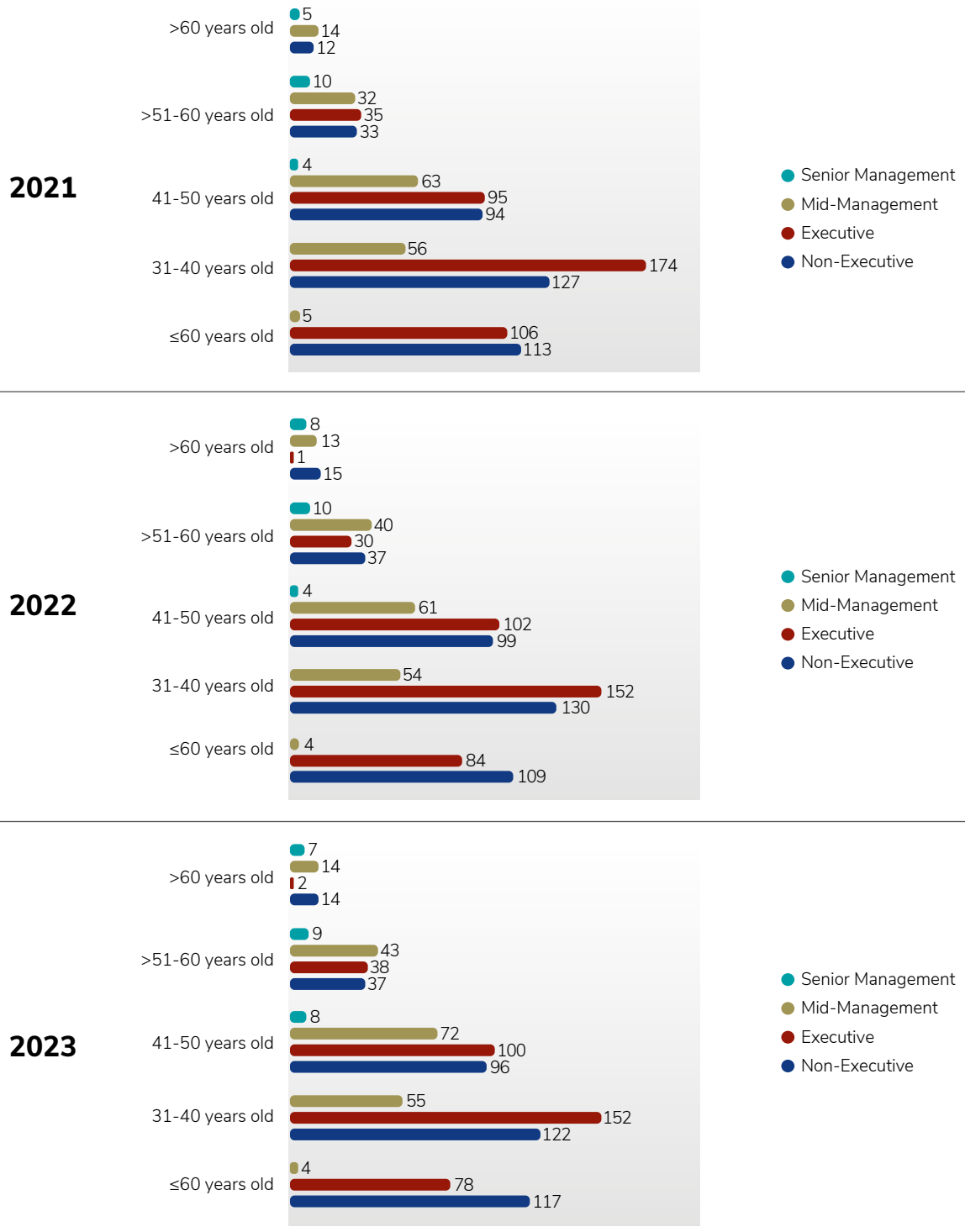
Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

Our Performance

The ethnicity and gender are almost the same as per the diversity profile of the Group's employees and is as follows:

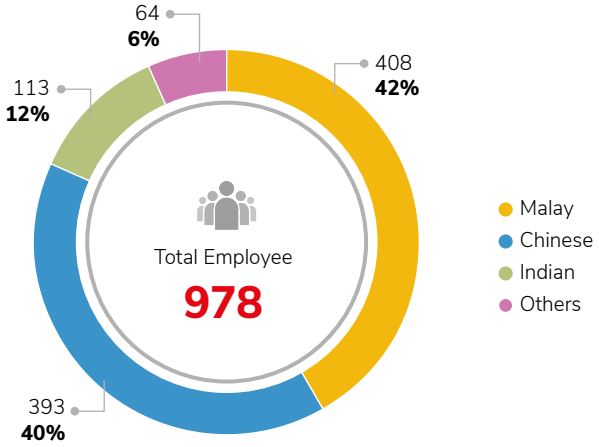
Age Diversity by Employee Category



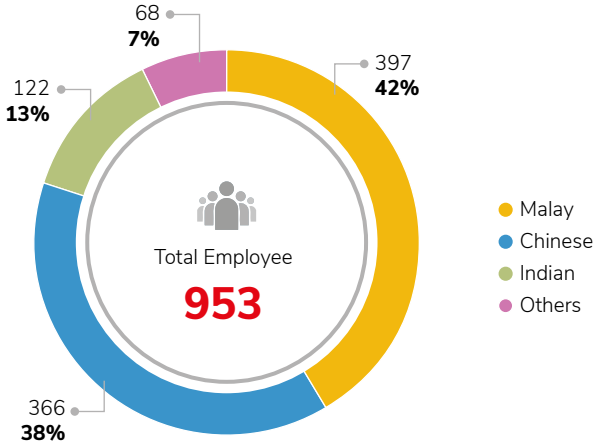
Sustainability Statement

Ethnic Diversity

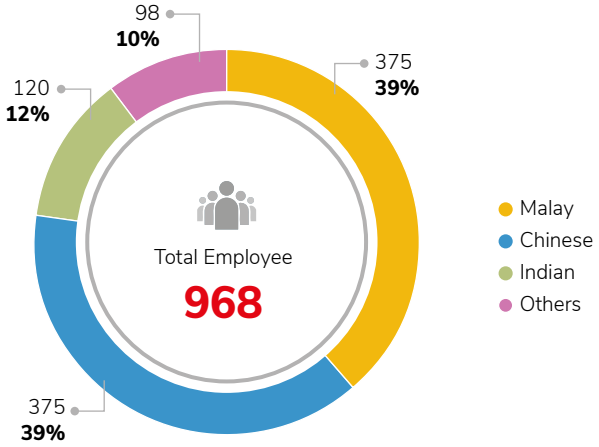
2021



2022



2023



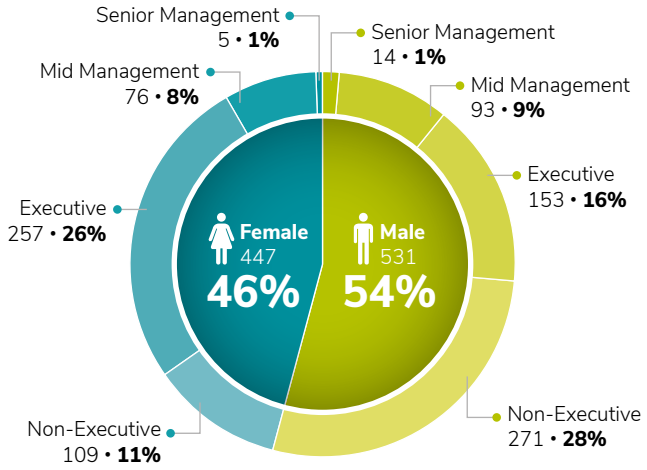
Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

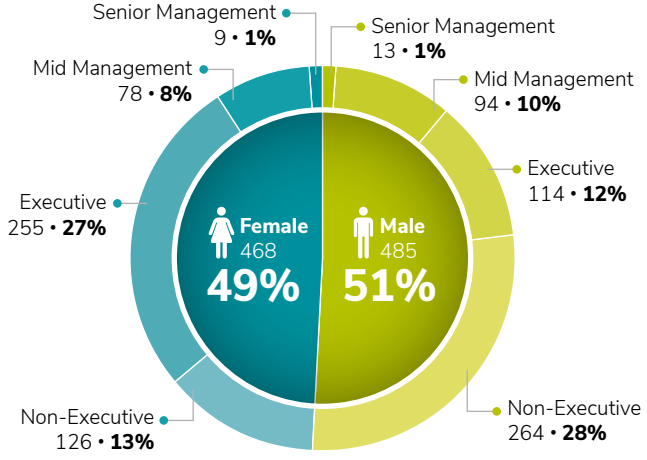
Our Performance (Cont'd)

Gender diversity by Employee Category

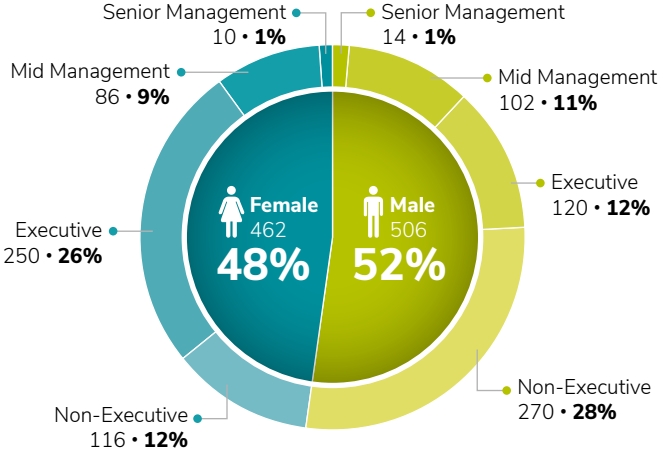
2021



2022



2023



Sustainability Statement

[MSM17] Labour Practices and Standards Our people are our greatest asset, encompassing diverse skills, job experience and potential. It is our duty as the employer to foster engagement, empowerment and support career development as well as recognising the invaluable contributions of each employee and demonstrating a commitment to unlocking their full potential.	Scope: GROUP
Targets a) At least 20 hours of training per employee per year. (Not achieved) b) Zero substantiated complaints concerning human rights violations. (Achieved)	
a.1) Total hours of training per employee per category: Senior Management: **653 hours** Mid-Management: **6,928 hours** Executive: **10,131 hours** Non-Executive: **8,345 hours** a.2) Total hours of training: **26,057 hours** a.3) Average hours of training per employee: **27 hours** a.4) Percentage of employees who have completed at least 20 hours of training: **53%**	(b) Number of substantiated complaints concerning human rights violation: **Zero**
Moving Forward: • Continuously enhance the Learning Management System. • Encourage employees to pursue further education and professional development opportunities through workshops, seminars, online courses and certifications. • Regularly assess the effectiveness of the training programmes to ensure they are meeting the needs of the employees and the Group's goals.	

Employee Management

Our Integrated Talent Management Framework enables employees to craft and manage their own career and growth within the Group. Opportunities are available across the Group as it diversifies and grows in its businesses locally and internationally.

Workforce Planning

As the Group focuses on performance and productivity, workforce planning is essential for all the Business Units within the Group. The required manpower, skills and capabilities need to be optimised to ensure that our operations and output levels sustain our businesses for the long term. This planning starts from an understanding of the necessary business requirements, the existing manpower and their capabilities as well as the potential requirement to meet business requirements for the year and to take the organisation forward.

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

Talent Acquisition

Who we bring into the organisation is important, as they need to not only have the right skills and capabilities but also the right values, mindset and attitude. This ultimately drives the desired culture within the Group, achievement of business goals and long-term sustainability. The Group is a proponent of diversity, equality and inclusion and sees this as a pre-requisite as we grow in the region.

The Group participated in the following career fairs in 2023:

- University Pertahanan Nasional Malaysia (UPNM) Career Fair
- University Tunku Abdul Rahman (UTAR) Career Fair
- Hirely Career Fair
- City University Jobstore Career Fair
- Help University Viva Career Fair

Managing Performance

Achieving the desired performance level is the basis of many HR processes that focuses on rewards and growth. We enable staff to build their technical and leadership competence to meet performance expectations, and with experience to grow their ability to manage bigger or more complex portfolios.

The process of helping an employee to achieve the expected performance level is called performance management, which starts from setting appropriate KPIs and targeted outcomes, to having continuous feedback and coaching for improvement throughout the year. The process ends at year end with annual reviews which provides the individual with an annual assessment that determines the rewards that the individual may receive. Through this process, talent with leadership potential is also identified, managed and groomed.

Sustainability Statement

Learning & Development

The Group uses a 70:20:10 philosophy for learning, where emphasis is on experiential, on-the-job training (70%) with an expected 20% from coaching and other behavioural support and 10% on classroom training. The focus of development is primarily to ensure that our employees have the appropriate skills and knowledge to build expertise in the business that they are in, and to help them progress in their career from independent contributors to people managers and leaders of the company.

The Group provides several structured development framework programmes designed to enhance fundamental capabilities, support personal growth, and improve work performance:

1. **Guided Managerial Development Framework (GMDF)**
   This framework assists our employees in determining the managerial and leadership development opportunities that could be beneficial to them at their level. It should be used in conjunction with discussions with their supervisor on both technical and managerial training to determine the most suited development strategy for themselves.

2. **Sales Advisor/ Service Advisor Development Programme (SADP)**
   The objective of this programme is to foster a proactive mind-set, excellence in customer service, effective communication, problem-solving skills, storytelling abilities, cross-selling techniques and negotiation and closing skills related to sales and service.

3. **Sales Managerial/ Service Managerial Development Programme (SMDP)**
   The training objectives for this programme revolve around developing supervisory skills, understanding basic financial statements, strategic performance management, business planning, fixed asset management, and group shared cost management within sales and service management roles.

4. **Contact Centre Agent Development Programme (CCDP)**
   The training objectives for contact centre agents include fostering a proactive mindset, providing excellent customer service and developing effective communication skills.

Technical training and functional training are encouraged at the Business Unit or Company or Department level.

Talent Management

The investment made to those deemed as Talent will be in a variety of ways, not limited to remuneration, but also in development, progression, opportunities and exposure. It is for the employee to determine how much they would like the company to invest in them by identifying their role and contribution, overcoming the challenges, delivering the desired outcomes, and ultimately their attitude.

One of the initiatives towards talent management is the inception of the Young Executive Club (referred to as the “Club”) in 2018. The Club has been a cornerstone of our commitment to nurturing the talents of our young employees and serves as an exclusive platform for engaging the younger generation within our organisation, providing them with opportunities to maximise their potential and make a positive impact through various CSR initiatives and projects across the Group.

Sustainability Statement

PROGRESS AND PERFORMANCE (Cont'd)

Engagement & Retention

Ultimately, we strive to provide a conducive work environment that will enable employees to grow in their career, with colleagues and leaders who are supportive in their development and focused on their success. The Group encourages a healthy and safe work life culture, focusing not just on work and performance outcomes but also on social, family and cultural traditions through our CSR activities.

We also undertake various employee engagement initiatives to improve teamwork and camaraderie as well as address employee concerns. Amongst employee engagement initiatives conducted in 2023 are as follows:

- Micare Alpro Roadshow 2023
- Team Building

- Movie Night
- First Aid Awareness Training

Sustainability Statement

- Fire Drill Training

- Festival Celebration (Chinese New Year, Hari Raya, Deepavali, Christmas)

Succession Planning

We intensify our talent management efforts by identifying individuals who are capable of taking on critical roles for succession planning. In 2023, we identified 47 employees from all levels as potential successors.

Sustainability Statement

OUR PERFORMANCE

Employee training hours

Acknowledging the vital role that employee training, education, and career development play in the sustainability and performance of our Group, we have established these initiatives as an integral component of our operations for several years. These programmes facilitate the acquisition and enhancement of skills, knowledge, and abilities necessary for effective role performance. Our training and education efforts encompass various methods such as on-the-job training, seminars, conferences, and online courses.

As part of our commitment to fostering a learning culture wherein each employee assumes responsibility for their personal development within their role, our in-house Learning Management System - AIMS (Achievable Integrated Management System) enables employees to register for training programmes, engage in e-learning modules, track their training hours, maintain a learning history, and document their acquired skills.

Through these investments, we are confident that employees who participate in training and education initiatives are better prepared to confront new challenges and capitalise on emerging opportunities. This, in turn, enhances performance, encourages innovation, and improves efficiency, productivity, and profitability across our organisation.

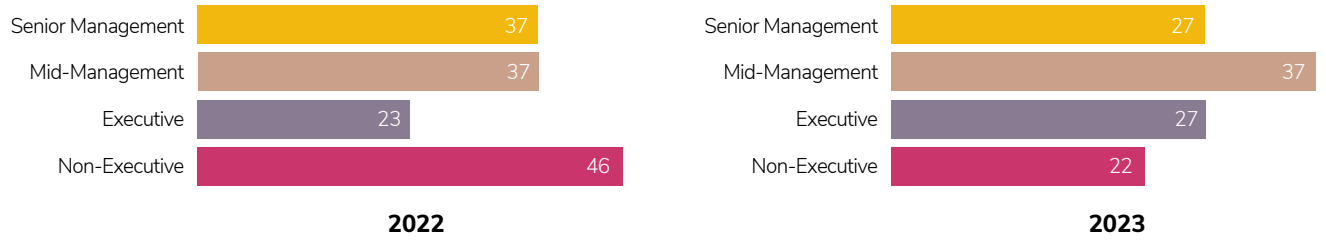
In 2023, we spent **26,057 hours** in internal and external learning and development programmes.

Employee Category	Total hours of training		
	Y2021	Y2022	Y2023
1. Senior Management	585	811	653
2. Mid-Management	4,772	6,359	6,928
3. Executive	9,117	8,510	10,131
4. Non-Executive	4,201	18,000	8,345
TOTAL	**18,675**	**33,680**	**26,057**

Employee Category	Average hours of training per employee		
	Y2021	Y2022	Y2023
1. Senior Management	31	37	27
2. Mid-Management	28	37	37
3. Executive	22	23	27
4. Non-Executive	11	46	22

Average hours of training per employee (hours)	Y2021	Y2022	Y2023
	19	**35**	**27**

Average hours of training per employee per year



Sustainability Statement

Employee Retention and Attrition

We observed a marked improvement in voluntary attrition rates. This encouraging trend reflects our ongoing dedication to nurturing a workplace environment characterised by employee development and engagement practices.

Our commitment to fostering a culture of continuous feedback, professional development opportunities, and open communication channels has played a pivotal role in bolstering employee satisfaction and retention. We attribute this achievement to the collective efforts of our leadership team and HR professionals who have diligently worked to address employee concerns and enhance organisational effectiveness.

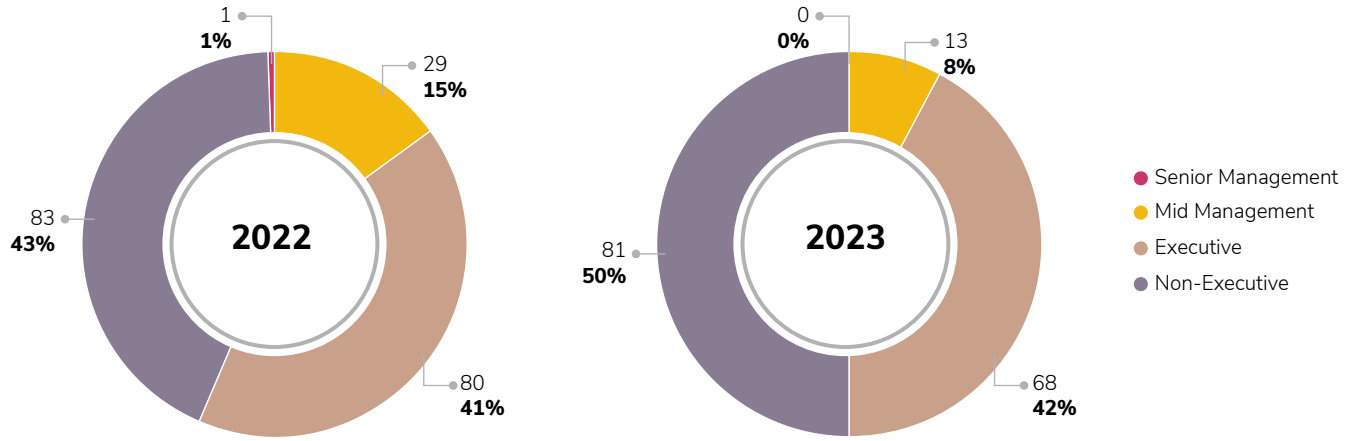
Employee Category	Total number of new hires		
	Y2021	Y2022	Y2023
1. Senior Management	4	5	2
2. Mid-Management	14	29	29
3. Executive	49	74	82
4. Non-Executive	60	136	164
TOTAL	**127**	**244**	**277**

Employee Category	Total number of employee voluntary turnover		
	Y2021	Y2022	Y2023
1. Senior Management	0	1	0
2. Mid-Management	22	29	13
3. Executive	84	80	68
4. Non-Executive	80	83	81
TOTAL	**186**	**193**	**162**

The voluntary attrition rate has decreased in 2023 due to continuous employee engagement.

	Y2021	Y2022	Y2023
New hire rates (%)	12.3%	25.5%	**28.8%**
Voluntary Turnover rates (%)	18.0%	20.2%	**16.8%**

Employee Turnover



Sustainability Statement

CONCLUSION

The Board is mindful of the initiatives taken by the Government to urge businesses to embrace sustainability practices, with a focus on climate-related risk and opportunities, in the Government's quest to achieve a net-zero economy by 2050. Regulatory requirements have been enacted or amended to hasten sustainability governance, management and reporting, in particular, focusing on listed issuers. When making decisions, shareholders and other stakeholders have begun to assess the corporations not solely in their economic performance but more so on how well they are managing the EESG agenda. Towards this end, the Board, together with Management, will continue to focus on the EESG agenda, including how the EESG matters are considered in Group's strategies, with the view to enhance long-term shareholder value and meeting the expectations of other stakeholders on a sustainable basis.

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT GENERATED FROM BURSA LISTING INFORMATION NETWORK (BURSA LINK)

Indicator	Measurement Unit	2021	2022	2023
Bursa (Community Investment)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	500.00	6,950.00	35,237.45
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	142	107	671
WTCH C1 Total number of CSR activities	Number	4	14	14
Bursa (Emissions Management)				
WTCH C11 Percentage of electric and hybrid vehicles and machineries in total fleet (Rental Business Car and Machineries)	Percentage	23.04 *	15.50	14.90
WTCH C11 Percentage of electric and hybrid vehicles and machineries in total fleet - Increment by yearly basis (%)	Percentage	-	13.58 *	8.02 *
Bursa (Waste Management)				
Bursa C10(a) Total waste generated	Metric tonnes	76.10	74.10	50.80
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	73.20	67.90	48.60
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	2.90	6.20	2.10
Bursa (Energy Management)				
Bursa C4(a) Total energy consumption	Megawatt	-	-	No Data Provided
WTCH C4 Energy intensity - Gigajoules (GJ) consumed per Ringgit Malaysia (RM) revenue generated	Rate	-	-	No Data Provided
WTCH C4 Energy intensity - Gigajoules (GJ) consumed per Ringgit Malaysia (RM) revenue generated - Reduction by yearly basis (%)	Percentage	-	-	No Data Provided
Bursa C4(a) Total energy consumption	Megajoules	26,104,000.00	28,440,000.00	32,944,000.00
WTCH C4 Energy Intensity - Megajoules (MJ) consumed per Ringgit Malaysia (RM) revenue generated - Reduction by 2025	Percentage	-	-17.0	1.9
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	24.280000	28.410000	25.360000
WTCH (Responsible Consumption: Materials)				
WTCH W1(b) Number of product sample developed with sustainable materials (Manufacturing Business)	Number	3	2	9
WTCH W1(c) Ratio of used/ total vehicles and machineries rental (Rental Business Car and Machineries)	Percentage	47.00	61.00	60.00
WTCH W1(a) Number of sustainable tourism products, such as green hotels and eco-friendly products promoted (Travel Business)	Number	53	84	142
Bursa (Anti-Corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	100.00	100.00
Mid-Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-Executive	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
WTCH C1 Percentage of directors who have received training on anti-corruption	Percentage	100.00	100.00	100.00
WTCH (Compliance)				
WTCH W2(a) Total monetary value of fines	MYR	8,195.00	20,451.00	54,135.00
WTCH W2(b) Total number of non-monetary sanctions for non-compliance with laws and regulations	Number	0	0	0
Bursa (Data Privacy and Security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
WTCH C8 Number of incidents of successful cyber-attack	Number	0	0	0
WTCH (Economy Growth)				
WTCH W3 Revenue - Increment by yearly basis (%)	Percentage	-	31.3	18.0
Bursa (Supply Chain Management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	-	No Data Provided
WTCH (Digitalisation and Innovation)				
WTCH W4 Numbers of digitalisation and automation projects improving operational efficiency and effectiveness	Number	-	21	37
WTCH (Health, Safety and Well-being: Customer)				
WTCH W5 Number of complaints and accidents due to product safety	Number	0	0	0
WTCH (Customer Excellence)				
WTCH W6 Customer Survey Ratings	Rate	-	-	-
Bursa (Health, Safety and Well-Being: Occupational)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.03	0.69	0.80
Bursa C5(c) Number of employees trained on health and safety standards	Number	582	585	966
WTCH C5 Number of training hours per employee on health and safety standards	Hours	-	-	No Data Provided
WTCH C5(b)(ii) Severity rate (SR)	Rate	13.93	1.50	11.93
WTCH C5 Average number of training hours per employee on health and safety standards	Hours	-	3	8
WTCH C5(c)(i) Percentage of employees who have completed at least 2 training hours on health and safety standard	Percentage	-	-	62.0
WTCH C5(d) Percentage of employees trained on health and safety standards from year 2023	Percentage	-	-	100.00
Bursa (Diversity, Equality and Inclusion)				

Internal assurance | External assurance | No assurance | (*)Restated

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT GENERATED FROM BURSA LISTING INFORMATION NETWORK (BURSA LINK) (Cont'd)

Indicator	Measurement Unit	2021	2022	2023
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 31-40	Percentage	0.00	0.00	0.00
Senior Management Between 41-50	Percentage	0.40	0.40	0.80
Senior Management Between 51-60	Percentage	1.00	1.00	0.90
Senior Management Above 60	Percentage	0.50	0.80	0.70
Mid-Management Under 30	Percentage	0.50	0.40	0.40
Mid-Management Between 31-40	Percentage	5.70	5.70	5.70
Mid-Management Between 41-50	Percentage	6.40	6.40	7.40
Mid-Management Between 51-60	Percentage	3.30	4.20	4.40
Mid-Management Above 60	Percentage	1.40	1.40	1.40
Executive Under 30	Percentage	10.00	8.80	8.10
Executive Between 31-40	Percentage	17.60	15.90	15.70
Executive Between 41-50	Percentage	9.70	10.70	10.30
Executive Between 51-60	Percentage	3.00	3.10	3.90
Executive Above 60	Percentage	0.00	0.10	0.20
Non-Executive Under 30	Percentage	11.60	11.40	12.10
Non-Executive Between 31-40	Percentage	13.00	13.60	12.60
Non-Executive Between 41-50	Percentage	9.80	10.40	9.90
Non-Executive Between 51-60	Percentage	3.40	3.90	3.80
Non-Executive Above 60	Percentage	1.20	1.60	1.40
Gender Group by Employee Category				
Senior Management Male	Percentage	1.40	1.30	1.40
Senior Management Female	Percentage	0.50	0.90	1.00
Mid-Management Male	Percentage	9.50	9.60	10.50
Mid-Management Female	Percentage	7.80	8.00	8.90
Executive Male	Percentage	15.60	11.70	12.40
Executive Female	Percentage	26.30	26.10	25.80
Non-Executive Male	Percentage	27.70	27.00	27.90
Non-Executive Female	Percentage	11.10	12.90	12.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	71.00	71.00	71.00
Female	Percentage	29.00	29.00	29.00
Between 41-50	Percentage	14.00	14.00	14.00
Between 51-60	Percentage	14.00	14.00	14.00
Above 60	Percentage	72.00	72.00	72.00
Bursa (Labour Practices and Standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	585	811	653
Mid-Management	Hours	4,772	6,359	6,928
Executive	Hours	9,117	8,510	10,131
Non-Executive	Hours	4,201	18,000	8,345
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.00	5.50	7.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	1	0
Mid-Management	Number	22	29	13
Executive	Number	84	80	68
Non-Executive	Number	80	83	81
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
WTCH C6 Average hours of training per employee	Hours	19	35	27
WTCH C6(i) Total training hours	Hours	18,675	33,680	26,057
WTCH C6(ii) Percentage of employees who have completed at least 20 hours of training	Percentage	-	-	53.00

Internal assurance | External assurance | No assurance (*)Restated

Sustainability Statement

Considering some technical issues encountered when preparing the above-generated Sustainability Performance Report, the exact data and explanations are set out below:

- The data for "Bursa C4(a) Total energy consumption" is provided in Megajoules pursuant to the Sustainability Reporting Guide 3rd Edition. Therefore, the "Bursa C4(a) Total energy consumption" with the measurement unit of Megawatt, which indicates "No Data Provided" is to be disregarded.

- The "WTCH C4 Energy intensity - Gigajoules (GJ) consumed per Ringgit Malaysia (RM) revenue generated" and "WTCH C4 Energy intensity - Gigajoules (GJ) consumed per Ringgit Malaysia (RM) revenue generated - Reduction by yearly basis (%)" which both indicate "No Data Provided" are to be disregarded as the data has been provided under "WTCH C4 Energy intensity - Megajoules (MJ) consumed per Ringgit Malaysia (RM) revenue generated - Reduction by 2026".

- The data for "Bursa C7(a) Proportion of spending on local suppliers" which indicates "No Data Provided" is to be disregarded, and the data is as follows:

Measurement Unit	2021	2022	2023
Range	92% to 100%	92% to 100%	85% to 100%

- The data for "WTCH W6 Customer Survey Ratings" which indicates "-" is to be disregarded, and the data is as follows:

Measurement Unit	2021	2022	2023
Range	3.0 to 4.5	3.0 to 4.6	2.8 to 4.6

- The "WTCH C5 Number of training hours per employee on health and safety standards" which indicate "No Data Provided" is to be disregarded.

Corporate Governance Overview Statement

The Board acknowledges the importance of adopting high standards of corporate governance in the Group in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Board believes having sound corporate governance practices improves corporate transparency, accountability, performance and integrity.

As such, the Board embeds in the Group a culture that is aimed at delivering a balance between conformance requirements and the need to deliver long-term strategic success through performance, without compromising on personal or corporate ethics and integrity.

This Corporate Governance Overview Statement provides an overview of the Company's application of the Principles set out in the Malaysian Code on Corporate Governance 2021 Edition ("MCCG") during the financial year under review and up to the date of this Statement. Details on how the Company has applied each of the Practices set out in the MCCG during the financial year 2023 are disclosed in the Corporate Governance Report, which is available for viewing on the Company's corporate website at www.warisantc.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is collectively responsible for the proper stewardship of WTCH Group's business and the creation of long-term and sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board sets the strategic direction for the Group, and ensures effective leadership through oversight of Management and robust monitoring of the activities and performance in the Group.

Directors are tasked with managing and directing the business and affairs of the Group and are expected to exercise reasonable care, skill and diligence in decision making. Directors keep themselves abreast of relevant developments, including material sustainability risks and opportunities faced by the Group, to discharge their duties and responsibilities efficiently.

All members of the Board are aware of their responsibilities to take decisions objectively which promote the success of the Group for the benefits of shareholders and other stakeholders, besides safeguarding the interests of these stakeholders. The roles and responsibilities of the Board are set out in the Board Charter, which is available on the Company's website at www.warisantc.com. The Board Charter is periodically reviewed by the Board to be in step with regulatory changes and to reflect recent changes made to the terms of reference of the Board and Board Committees. The Board Charter was last reviewed by the Board in August 2023.

Board's main responsibilities
The key roles and responsibilities of the Board broadly cover the formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; promoting good corporate governance culture which reinforces ethical, prudent and professional behaviour; identifying and assessing the principal risks and ensuring the implementation of an appropriate internal control system to manage those risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure, including succession planning.

Board and Management-level Committees
To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee ("AC") and Nominating and Remuneration Committee ("NRC"), 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. The members of both AC and NRC comprise majority Independent Non-Executive Directors.

In enhancing accountability, the Board has established clear functions reserved for itself 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, approval of annual budgets and audited financial statements, 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 set out in the Board Charter.

Corporate Governance Overview Statement

Board and Management-level Committees (Cont'd)

The Executive Team (as defined in the Board Charter) comprising the President (leader), Chief Executive Officer, Chief Financial Officer and other Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which include, amongst others, the achievement of the Group's goals and observance of Management authorities delegated by the Board, developing business plans which are aligned to the Group's requirements for growth, profitability and return on capital to be achieved, ensuring cost efficiencies in business operations, overseeing the development of human capital and ensuring members of the Board have the information necessary to discharge their fiduciary duties and other governance responsibilities.

As the leader of the Executive Team, the President, who is supported by the Chief Executive Officer, Chief Financial Officer and other Senior Management Personnel, oversees the overall management and strategic development of the Group. The Chief Executive Officer is responsible for managing and supervising the day-to-day business operations in accordance with the Group's strategies, policies and business plans approved by the Board.

The positions of the Chairman and the Chief Executive Officer are held by different individuals to ensure an appropriate balance of roles, responsibilities and accountability.

The President assumes the position of the Chairman of the Board. As Chairman, he 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 Chairman also ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The Independent Non-Executive Directors, who comprise more than one-third of the Board's size, are responsible for providing insights, unbiased and independent views, advice and judgement to the Board and also ensuring effective checks and balances on Board's decisions. Independent Non-Executive Directors are essential for protecting the interests of shareholders, in particular minority shareholders, and can make significant contributions to the Company's decision-making process by bringing in the quality of detached impartiality.

The Board also delegates its authorities to Management-level committees, namely the Risk Management and Sustainability Committee and Executive Management Committee, which comprise appropriate members of Management in order to ensure the operational efficiency and that specific matters are being addressed effectively.

Directors' Code of Ethics

The Board has adopted a Directors' Code of Ethics, setting out the standards of conduct expected from all Directors. The Directors' Code of Ethics is contained in the Board Charter which is published on the Company's website at www.warisantc.com. To inculcate good ethical conduct, the Group has established a Code of Business Conduct & Ethics for employees, which has been communicated to all levels of employees in the Group.

Related Party Transactions Policy & Disclosure Framework

The Board has formalised a Related Party Transactions Policy & Disclosure Framework in February 2018 to provide guidance on complying with Chapter 10 of the MMLR of Bursa Securities on Related Party Transactions ("RPTs") and Recurrent Related Party Transactions ("RRPTs") and standardise the practices and procedures in relation thereto.

Conflict of Interest Policy

In managing conflict of interest situations including potential conflict of interest with any Director, key Senior Management and legal representative of the Company and/or Directors of its subsidiaries, the Board has implemented a Conflict of Interest Policy to be observed by the Directors of all companies in the Group and the key Senior Management of the Company. This is to ensure Directors of the Company and its subsidiaries as well as the key Senior Management and legal representatives of the Company act in the best interest of the companies they represent and they must not place themselves in a position where their duties and personal interest conflict, without such conflicts, if any, being duly declared and with them abstaining from any deliberation and voting of the matters concerned. The Conflict of Interest Policy was last reviewed by the Board in August 2023.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Sustainability Framework
To assist in overseeing the Environmental, Social and Governance ("ESG") agenda effectively, the Board has formalised a Sustainability Framework for communication to all the heads of business unit on the importance of meeting the Group's sustainability strategies, priorities as well as setting of targets to meet these objectives. Further information on the Group's sustainability activities can be found in the Sustainability Statement of the Annual Report.

Anti-Bribery and Anti-Corruption Policy
Taking heed of the requirements enshrined in the Guidelines on Adequate Procedures issued by the Minister in the Prime Minister's Department under Section 17A(5) of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the Board has adopted an Anti-Bribery and Anti-Corruption Policy to manage bribery and corruption risks the Group is exposed to in its operations. The Anti-Bribery and Anti-Corruption Policy is uploaded on the Company's website at www.warisantc.com.

Special Complaint Policy
The Board has also implemented a Special Complaint Policy, equivalent to a whistle-blowing policy, that serves as an avenue for raising concerns related to actual or suspected breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.

Board meetings and access to information
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 in accordance with the provisions of the Companies Act 2016 ("CA 2016") and MMLR of Bursa Securities, 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. The Company Secretaries advise the Board on governance matters, ensuring there is an effective system of corporate governance in place.

To discharge their responsibilities effectively, the Directors allocate sufficient time to attend Board and Board Committee meetings to deliberate on matters under their purview. During the year, the Board deliberated and decided on matters relating to business strategies and issues concerning the Group, including the business plan, annual Group budget, financial results and significant transactions. All Board and Board Committee members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting, in a timely manner. The Company leveraged technology in conducting meetings of the Board and Board Committees online, which made it more convenient for meeting participation to safeguard the well-being of Directors. For the financial year under review, the Board convened seven (7) Board meetings and the attendances of the Directors are as follows:

Name	No. of Board Meetings Attended	Percentage of Attendance (%)
Dato' Tan Heng Chew	7/7	100
Tan Keng Meng	7/7	100
Chin Yen Song	7/7	100
Datuk Abdullah bin Abdul Wahab	7/7	100
Lee Min On	7/7	100
Soh Eng Hooi	7/7	100
Dato' Yunus bin Abd Razak	6/7	86

Corporate Governance Overview Statement

II. BOARD COMPOSITION

The Company is led by an experienced Board, comprising members with diverse background in business and financial experience, and skills which are vital for the continuing progress and sustainability of the Group.

The Board currently has seven (7) members, comprising three (3) Independent Non-Executive Directors, a Non-Independent Non-Executive Director and three (3) Executive Directors. This composition fulfills the requirements as set out under the MMLR of Bursa Securities which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be independent. The Directors, with their diverse background and specialisation, collectively bring with them a wide range of experience and expertise in areas such as engineering, finance, accounting and audit, legislative and administration, corporate governance, risk management, corporate and financial planning, as well as marketing and operations. The profiles of the members of the Board are provided in the Annual Report.

Board Diversity Policy
The Company has formalised a Board Diversity Policy, appended to the Board Charter which is uploaded on the Company's website. Evaluation of the suitability of candidates is based on the candidates' competency, character, time availability, integrity and experience in meeting the Company's needs. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre without any discrimination as to the age, ethnicity or gender of the candidates concerned.

Within the current Board composition are two (2) women Directors, and this fulfills the Board Diversity Policy on gender which stipulates that the Board shall comprise at least a woman Director at any time.

Directors' Fit and Proper Policy
The Board has adopted the Directors' Fit and Proper Policy which sets out the fit and proper criteria, approach, guidelines and procedures to ensure a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of companies in the Group. The Directors' Fit and Proper Policy is available on the Company's website at www.warisantc.com.

The Directors' Fit and Proper Policy includes a Declaration Form on Fit and Propriety which requires prospective Directors or retiring Directors seeking appointment or re-election to furnish information like profile with their professional qualifications and working experience; directorship and shareholdings in other corporations; relationship with Directors and their family members of WTCH Group and a self-assessment of fit and proper criteria which includes past convictions and bankruptcy, political involvement, etc. Candidates for appointment as Independent Director are required to conduct a self-assessment based on independence criteria adopted by the Company.

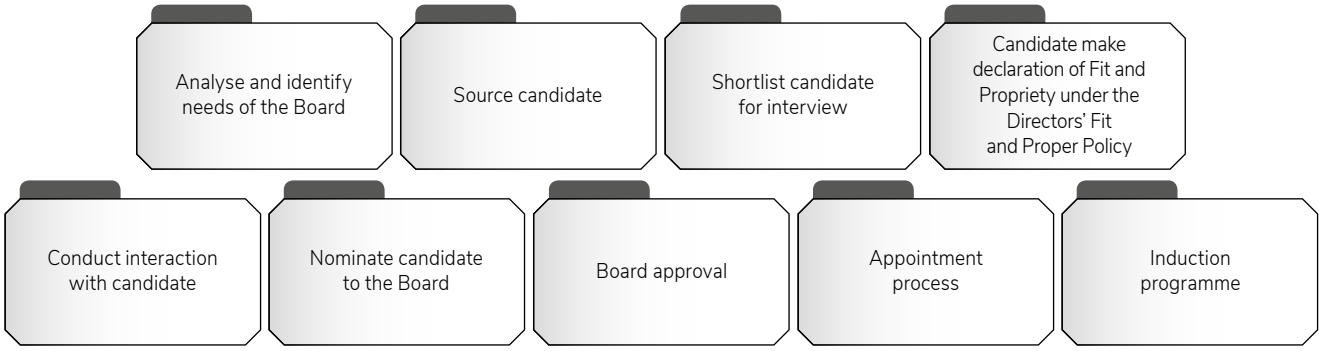
Board Nomination and Election Process
The NRC is entrusted by the Board to assess the adequacy and appropriateness of Board composition, identify and recommend suitable candidates for Board membership. The NRC also assesses annually the performance of the Board, Board Committees and individual Directors; succession plans; Board diversity, in terms of gender, age and ethnicity 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 Board has the ultimate responsibility of making the final decision on the appointment of new Directors.

The NRC considers candidates proposed by the Chairman and, within the bounds of practicability, by any Director or shareholder or sourcing from independent search firms/directors' registry. The NRC conducts interviews to assess and review, amongst others, the candidate's skills, knowledge, expertise, experience, competency, time commitment, character, professionalism and integrity. Based on the recommendations from the NRC, the Board evaluates and decides on the appointment of the proposed candidate as an additional Director or to replace any Director who resigns or retires from the Board and Board Committees.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

The NRC oversees the screening and selection of new Directors as follows:



Board Evaluation

The Board, through the NRC, conducts an annual review of the Board, Board Committees and individual Directors using a set of questionnaires adapted from the Corporate Governance Guide 4th Edition. For the financial year under review, the self and peer evaluations were conducted via the use of assessment forms, comparing existing corporate governance practices and activities against the relevant terms of reference, practices and guidance of the MCCG and MMLR. The Board, Board Committees and individual Directors were assessed based on criteria covering, amongst others, composition and structure, mix of skills, experiences, competencies, personality, diversity, contribution and performance and meeting administration and conduct. A 360° assessment of the Board and Board Committees, including the evaluation criteria, was conducted by personnel who were not members of the Board or Board Committees but attended the full meetings of the Board and Board Committees. This provided additional feedback to enhance the effectiveness of the Board and Board Committees.

Based on the assessment conducted on 11 January 2024, the NRC concluded that the Board composition was optimal to meet the Company's needs and that each Director has the requisite competence and capability to serve on the Board. The NRC also noted that the Directors have sufficiently demonstrated their commitments to the Board in terms of time and participation during the year under review, and accordingly recommended to the Board the re-election of the retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). The assessment was facilitated by our in-house Group Secretarial Department. All assessments and evaluations conducted by the NRC in the discharge of its functions were duly documented, with the following salient enhancements to the Board's effectiveness, as a whole:

(a) More in-depth focus on the Board agenda pertaining to the deliberation and monitoring of Environmental, Social and Governance ("ESG") matters, including risk oversight, in the Group's strategies;
(b) Continuous Professional Development for Board members, emphasising understanding emissions management and its disclosures under the Recommendations of the Task Force on Climate-related Financial Disclosures; and
(c) Strategic briefing to Board members on key regulatory requirements of foreign countries in which the Group operates.

The Board Charter provides for a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director. Thereafter, the Director may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director after the latter has served a cumulative term of nine (9) years, the Board must justify and disclose such decision and seek shareholders' approval at the AGM.

The NRC had assessed the independence of all Independent Non-Executive Directors for the financial year 2023 based on criteria set out in Paragraph 1.01 of the MMLR and Practice Note 13 of Bursa Securities and concluded that they have satisfied the criteria set therein. None of the Independent Non-Executive Directors exceeded a cumulative term of 9 years since appointed to the Board.

The NRC is of the view that each of the three (3) Independent Non-Executive Directors is able to provide independent judgement and act in the best interest of the Company. Following the assessment and recommendation by the NRC, the Board is of the opinion that the independence of the existing Independent Non-Executive Directors remains unimpaired and their judgement over business dealings of the Company has not been influenced by the interest of the other Directors or substantial shareholders.

Corporate Governance Overview Statement

Induction and Directors' trainings

To ensure that the Board is equipped with the necessary knowledge and skills to fulfill its roles, a comprehensive induction programme is provided to newly appointed Board member(s) as well as existing Board members from time to time, where appropriate. In addition to receiving a range of updated information about the Group, all Board members are also extended an invitation to attend the Group's exclusive preview events.

All Directors of the Company had completed the Mandatory Accreditation Programme ("MAP") as required by the MMLR of Bursa Securities. The Board is mindful of the need to foster collective understanding in the area of sustainability, partly through the sharing of relevant knowledge, experiences and expectations pertaining to sustainability practices as well as the enhanced reporting requirements pertaining to sustainability matters. All Directors of the Company are required to attend and complete the MAP Part II, a tailored programme which focuses substantively on sustainability to build Board capabilities and competency in this evolving area, under paragraph 1.3(b) of Practice Note 5 of Bursa Securities, on or before 1 August 2025.

The Board appreciates the importance for its members to attend continuous education and training programmes to be apprised of changes to regulatory requirements and the impact such regulatory requirements have on the Group's business environment and corporate governance development. The Board, through the NRC, evaluates the training needs of its Directors annually and ensures that they participate in relevant professional development programmes. Besides disseminating the relevant circulars and guidelines on statutory and regulatory requirements from time to time for the Board's reference, the Company Secretaries also explain to the Board, the implications of those requirements on Directors and the Company.

During the financial year under review, all Directors of the Company attended trainings, which included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies, details of which are as follows:

Directors	Details of Program
Dato' Tan Heng Chew	• WTCH/Tan Chong Motor Holdings Berhad ("TCMH"): Code of Business Conduct & Ethics (Yearly Refresher Training) • TCMH: 2023 Anti-Bribery & Anti-Corruption (Yearly Refresher Training) • TC iTech Sdn Bhd ("TC iTech"): Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training) • WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training) • KPMG PLT: Addressing Challenges in implementing International Sustainability Standards Board (ISSB) Standard
Tan Keng Meng	• WTCH/TCMH: New Employment Act (Amendment 2022) • Mitsubishi Logisnext Co., Ltd: Unicarriers 2022 Dealer Management Conference • WTCH: Business Risk Management Workshop • Leaderonomics – The Science of Building Leaders: Malaysia Leadership Summit 2023 - Breakthrough to the future • WTCH / TCMH: Code of Business Conduct & Ethics (Yearly Refresher Training) • WTCH Group Environment, Health and Safety ("EHS") Committee: EHS Management System Training • TC iTech: Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training) • Bursa Securities: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers • Shaanxi Tonly Heavy Industries Co., Ltd: Tonly Oversea Dealer Conference • UD Trucks Corporation: UD Truck Partner Conference 2023 • WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training)

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Directors	Details of Program
Chin Yen Song	• WTCH/TCMH: New Employment Act (Amendment 2022) • KPMG PLT: Sustainability Reporting • WTCH Group Risk Management Department: WTCH Business Risk Management • WTCH Group Tax Department: 2023 National Budget Briefing • WTCH Group EHS Committee: EHS Management System Training • WTCH/ TCMH: Code of Business Conduct & Ethics (Yearly Refresher Training) • Bursa Securities: Conflict of Interest ("COI") and Governance of COI • Leaderonomics Sdn Bhd: Understanding AI, ChatGPT, and LinkedIn Dynamics • WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training) • TC iTech: Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training) • WTCH Group Tax Department: IRB e-invoicing Systems
Datuk Abdullah bin Abdul Wahab	• WTCH/TCMH: New Employment Act (Amendment 2022) • Bursa Securities: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers • TC iTech: Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training) • WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training) • KPMG PLT: Addressing Challenges in implementing International Sustainability Standards Board (ISSB) Standard • Securities Commission Malaysia ("SC"): Invitation to the SC's Audit Oversight Board Conversation with Audit Committees • WTCH/TCMH: Code of Business Conduct & Ethics (Yearly Refresher Training)
Lee Min On	• WTCH/TCMH: New Employment Act (Amendment 2022) • Malaysian Institute of Corporate Governance ("MICG"): Enterprise Risk Management ("ERM") - Developing a holistic ERM Framework • The Institute of Internal Auditors Malaysia: East Malaysia Conference 2023 – Unlocking Success: Empowering Internal Auditors for Tomorrow's Challenges • MICG: Duties and Responsibilities of Company Directors - Demystifying the stewardship and fiduciary roles of Directors • TC iTech: Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training) • Bursa Securities: Conflicts of Interest ("COI") and Governance of COI • Malaysian Institute of Accountants: Corporate Disclosures - What are the 'landmines' to avoid and the value derived? • KPMG PLT: Addressing Challenges in implementing International Sustainability Standards Board (ISSB) Standard • MICG: Assessment of the Board, Board Committees and Individual Directors: Are such assessments useful, let alone necessary, for listed issuers? • Country View Berhad: Sustainability Governance, Management and Reporting - Implications of the ESG agenda to the Board and Management of listed issuers • WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training) • WTCH/TCMH: Code of Business Conduct & Ethics (Yearly Refresher Training)
Soh Eng Hooi	• WTCH/TCMH: New Employment Act (Amendment 2022) • WTCH/TCMH: Code of Business Conduct & Ethics (Yearly Refresher Training) • TC iTech: Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training) • SC: Invitation to the SC's Audit Oversight Board Conversation with Audit Committees • WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training)

Corporate Governance Overview Statement

II. BOARD COMPOSITION (Cont'd)

Directors	Details of Program
Dato' Yunus bin Abd Razak	• Geological Society of Malaysia ("Geological Society"): Seminar on Geophysics • Geological Society: Pre AGM Talk - Classification of Geothermal System From Geology and Resource Assessment • WTCH / TCMH: Code of Business Conduct & Ethics (Yearly Refresher Training) • Society of Engineering Geology and Rock Mechanics Malaysia: Rock Assessment and Numerical Modelling • TC iTech: Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training) • Coordinating Committee for Geoscience Programmes in East and Southeast Asia: Thematic Session – Action for Future: Advancing Geoscience Sustainable Development in the East and Southeast Asia • Geological Society of Malaysia: National Geoscience Conference • WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training) • SC: Invitation to the SC's Audit Oversight Board Conversation with Audit Committees

III. REMUNERATION

The NRC has been tasked with expanded duties and responsibilities to assist the Board in implementing policies and procedures on matters relating to the remuneration of Board members and Senior Management.

Policies and Procedures for the Remuneration of Directors and Senior Management
In accordance with Practice 7.1 of the MCCG, the Board has developed pertinent Policies and Procedures for the Remuneration of Directors and Senior Management to align with business strategies and long-term objectives of the Group. The remuneration packages for Executive Directors and Senior Management are linked to their individual and Group performance, qualifications, experience, competence and scope of responsibility and geographic location where the personnel are based and are periodically benchmarked against market/ industry surveys conducted by human resource consultants.

As a matter of practice, the Directors concerned abstain from deliberating and voting on their own remuneration at Board Meetings.

The remuneration received or to be received by Directors of the Company from the Group and Company for the financial year ended 31 December 2023 amounted to RM4,383,220 and RM3,121,277 respectively. Details of the remuneration for each of the Directors on a named basis are set out under Practice 8.1 of the Corporate Governance Report uploaded on the Company's website at www.warisantc.com.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Activities undertaken by Nominating and Remuneration Committee
A summary of key activities undertaken by the NRC in discharging its duties during the financial year under review is set out below:

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of Directors who are due for retirement by rotation, for shareholders' approval at the forthcoming AGM;
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contributions of individual Directors as well as the Chief Financial Officer and Company Secretaries;
- Assessed Directors' training needs and acknowledged the training programmes attended by Directors as well as identified suitable training programmes to enhance Directors' skills;
- Assessed the term of office and performance of the AC and each of its members;
- Reviewed the terms of reference of the NRC;
- Reviewed the 2023 Bonus and 2024 Salary Increment for employees of the Group;
- Reviewed and recommended the extension of Executive Service Contract with change of roles and responsibilities for a Senior Management Staff;
- Reviewed and recommended the promotion of a Senior Management Staff; and
- Reviewed the renewal of Executive Service Contract of Senior Management.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

To assist the discharge of its duties on financial reporting, the Board has established an AC, comprising majority of members who are Independent Non-Executive Directors with Ms. Soh Eng Hooi as the Committee Chairwoman. The members of the AC, collectively, are financially literate and are qualified to discharge their duties and responsibilities set out in the AC's Terms of Reference approved by the Board. They constantly keep abreast with relevant changes to financial reporting standards and pertinent issues which have a significant impact on financial reporting through regular updates from the external auditors and the Chief Financial Officer. The AC's Terms of Reference last reviewed by the Board in August 2023 are uploaded on the Company's website at www.warisantc.com.

One of the key responsibilities of the AC in the AC's Terms of Reference is to ensure that the financial statements of the Group and the Company comply with the applicable financial reporting standards in Malaysia and provisions of the CA 2016. The responsibilities of the AC has been expanded to cover conflict of interest situations which arise or persist (in addition to those that may arise) and the measures taken to resolve, eliminate, or mitigate the conflict of interest for reporting to the Board.

Full details of the AC's responsibilities are found in the AC's Terms of Reference. A summary of the work conducted in 2023 by the AC is set out in the Audit Committee Report of this Annual Report.

Pursuant to the AC's Terms of Reference, no former partner of the external audit firm of the Company and/or its affiliates (including those providing advisory services, tax consulting etc.) shall be appointed a member of the Committee unless the person has observed a cooling off period of at least three (3) years from the date of the person's retirement or resignation from the firm.

External Auditors' Assessment Policy & Procedures
In April 2023, the Board has adopted an External Auditors' Assessment Policy & Procedures ("EAA Policy") to be in line with the MCCG, and the By-Laws (on professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants ("MIA By-Laws"). The objective of the EAA Policy is to set out the guidelines and procedures undertaken by the AC to assess the suitability, objectivity and independence of the external auditors (i.e., audit firm and its affiliates, both local and overseas) in substance as well as in form. The EAA Policy covers a policy for the types of non-audit services permitted to be provided by the external auditors and/or their affiliates, including the need for obtaining the AC's pre-approval before such services are contemplated which supersedes the previous policy for non-audit services adopted by the Group.

Corporate Governance Overview Statement

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance on the effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The Board has put in place a structured framework to enable Management identify, evaluate, control, report and monitor the principal business risks faced by the Group. The Board is updated on the Group's system, which encompasses risk management practices and the implementation of internal controls to mitigate the identified business risks on a regular basis. Ongoing reviews are performed throughout the year by the respective business units to identify, evaluate, manage, report and monitor the significant risks affecting their business and ensure that adequate internal controls are in place. The risk registers which are maintained by the Group are reviewed and updated by the Risk Management and Sustainability Committee (a Management-level committee) at least twice a year.

Details of the Group's Enterprise Risk Management framework, activities conducted for the financial year under review and reporting processes are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

In line with the MCCG and the MMLR of Bursa Securities, the Board has established an in-house Group Internal Audit Department ("GIA"), which reports directly to the AC on the adequacy and operating effectiveness of the Group's system of risk management and internal control. All internal audits conducted are guided by the International Professional Practices Framework of The Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. The GIA is independent of the activities it audits, and its authority, scope and responsibilities are governed by an Internal Audit Charter approved by the AC. The scope of work covered by the GIA during the financial year under review is set out in the Statement on Risk Management and Internal Control included in this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's shareholders and other stakeholders.

Shareholders and other stakeholders of the Company, as the case may be, are provided with accurate and timely dissemination of information via the Annual Reports, circulars to shareholders, quarterly financial reports and the various announcements which articulate an overview of the Group's financial results, business performance and operations. Shareholders and other stakeholders can access information at the Company's website at www.warisantc.com which includes the Board Charter, Committees' Terms of Reference, policies and procedures, corporate information, announcements, financial information, and Annual Reports.

The Company also has a dedicated electronic mail, i.e., corporate@warisantc.com to which stakeholders can direct their queries or concerns.

Corporate Disclosure Policy and Procedures
The Company has adopted a set of Corporate Disclosure Policy and Procedures which sets out how sensitive and material information is determined and disseminated to investors, stakeholders, local media, investing public and other relevant persons in accordance with applicable statutory and regulatory requirements.

Stakeholder Communication Policies and Procedures
The Board recognises that stakeholder engagement is a key factor contributing to the sustainability of its business and feedback from stakeholders is carefully considered in business strategies and decisions.

In February 2024, the Board adopted a set of Stakeholder Communication Policies and Procedures ("SCPP"), which governs communications with stakeholders in maintaining an effective, high quality communication channel that facilitate an open, ongoing dialogue and the provision of timely and accurate information to stakeholders.

Corporate Governance Overview Statement

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

II. CONDUCT OF GENERAL MEETINGS

The 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.

In line with the MCCG, the Company despatched the notice of the 26th AGM to its shareholders at least 28 days before the AGM. As a measure to safeguard the wellbeing of shareholders, the 26th AGM held on 2 June 2023 was conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. During the 26th AGM, the Chairman of the meeting ensured that the AGM was conducted in an orderly manner and allowed shareholders or proxies to raise questions or seek clarification on agenda items of the AGM. The shareholders were encouraged to pose and submit questions electronically in advance of the 26th AGM or submit their questions using the query box to transmit their questions during the AGM for the Board to respond.

The Chief Executive Officer presented at the 26th AGM, the Group's financial performance, some key initiatives and business outlook for the year. The Directors and Senior Management responded to all questions submitted and provided clarification as required by the shareholders. The full minutes of the 26th AGM, including the Company's responses to questions posed by shareholders before and during the AGM, are available on the Company's website.

All resolutions set out in the notice of the 26th AGM were voted on by poll in accordance with the MMLR of Bursa Securities. The Board adopted an electronic voting process for polling at the last AGM to facilitate greater shareholders' participation, enabling efficiency in the voting process as well as ensuring transparency and accuracy of the voting results.

This Corporate Governance Overview Statement is dated 3 April 2024.

Audit Committee Report

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2023.

COMPOSITION AND MEETINGS

The Audit Committee ("AC") was established on 1 November 1999. The current composition of the AC and the attendance of its members at the five (5) meetings held during the financial year are set out below:

Name	Designation	Attendance
Soh Eng Hooi *Independent Non-Executive Director*	Chairwoman	5/5
Lee Min On *Senior Independent Non-Executive Director*	Member	5/5
Dato' Yunus bin Abd Razak *Independent Non-Executive Director*	Member	4/5
Datuk Abdullah bin Abdul Wahab *Non-Independent Non-Executive Director*	Member	5/5

The AC meetings are structured using agendas and relevant board papers which are distributed to the AC members with adequate notice prior to such meetings. This enables AC members to study the items on the agenda, including relevant materials that support the items and, where appropriate, provides an opportunity for them to seek additional information or clarification from Management.

The AC Chairwoman, who shall be an Independent Non-Executive Director, calls for meetings to be held not less than four (4) times in a year. Any member of the AC may requisition for a meeting at any time, and the Committee Secretaries, on such requisition, arrange with the AC Chairwoman to convene a meeting. Except in the case of an emergency, seven (7) days' notice of meeting is given in writing to all members. The quorum for meeting is the majority of members who are Independent Non-Executive Directors. Meetings are chaired by the AC Chairwoman and, in her absence, by an Independent Non-Executive Director elected by those members who are present. Decision is made by majority of votes determined by a show of hands, with interested members abstaining from discussion and decision.

The Chief Executive Officer, Chief Financial Officer and Head of Internal Audit, including the Company Secretaries, who serve as the Committee Secretaries, normally attend the meetings convened to provide explanations and additional information to assist the AC on the agenda items deliberated. The AC Chairwoman has the prerogative to invite other Board members and employees to attend meetings. Representatives of the External Auditors attend the AC meetings to table their Audit Plan, findings from the audit and their audit opinion on the financial statements of the Company and the Group.

The AC Chairwoman has 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 that needs to be preserved.

The performance of the AC during the financial year under review was evaluated by the members by way of a self and peer evaluation, the outcome of which was reviewed by the NRC. Having considered the recommendation made by the NRC, the Board was satisfied that the AC members have discharged their functions, duties and responsibilities in accordance with the AC Terms of Reference.

In compliance with the MMLR of Bursa Securities, the AC Terms of Reference, last adopted by the Board in August 2023, are uploaded on the Company's website at www.warisantc.com.

Audit Committee Report

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The AC works closely with Management, Group Internal Audit and the External Auditors to carry out its functions and duties set out under its Terms of Reference.

In discharging its roles and responsibilities, the AC carried out the following work during the financial year under review and up to the date of this Audit Committee Report:

(1) Financial Reporting

(a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on key material matters, which included the going concern assumption, and ensured the disclosures thereof complied with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the MMLR of Bursa Securities before recommending the same to the Board for approval to release the quarterly financial results to Bursa Securities;

(b) Reviewed, together with the External Auditors, the annual audited financial statements of the Company and of the Group before recommending the same to the Board for approval; and

(c) Reviewed the impact of any changes in accounting policies and adoption of any new financial reporting standards, together with significant matters highlighted in the financial statements.

(2) External and Internal Auditors

(a) Reviewed the External Auditors' Audit Plan for the Company and Group, which outlined the External Auditors' responsibilities, key audit matters, scope of work, the potential key audit matters and focus areas, as well as non-audit services for the financial year ended 31 December 2023 and their fees;

(b) Discussed and reviewed with the External Auditors, the results of their work and the auditors' report in relation to audit and accounting issues arising from the audit, including the impact of any new Malaysian Financial Reporting Standards on the results of the Company and Group;

(c) Discussed and reviewed any areas for improvements in the internal control system of companies of the Group as highlighted by the External Auditors, including remedial measures agreed to be taken by Management to address the issues;

(d) Considered the suitability and independence of the External Auditors by assessing, among others, the adequacy of their resources, timeliness of services, technical knowledge, experience, skills, independence and objectivity, their audit engagement and the competence of the audit team members assigned to the engagement. After having assessed the External Auditors in early April 2024 and obtained written assurance from the External Auditors confirming their professional independence throughout the course of audit engagement, the AC was satisfied that the External Auditors were able to meet the audit requirements and statutory obligations of the Company as well as their independence and objectivity as External Auditors of the Company. In line with the MCCG, the AC also reviewed the Global Transparency Report of the external audit firm, particularly the information pertaining to the Malaysian firm, in respect of its governance and leadership structure, measures undertaken by the firm to uphold audit quality and manage risks. Following the outcome of such assessment, the AC recommended to the Board the reappointment of Mazars PLT as External Auditors of the Company at the forthcoming AGM. The Board accepted the AC's recommendation for Mazars PLT's reappointment as the External Auditors at the forthcoming AGM, subject to shareholders' approval;

(e) A private session was held with representatives of the External Auditors without the presence of Executive Directors, Senior Management and Committee Secretaries. This session enabled the External Auditors to discuss with candour with the AC on any matters noted during their audit without being beholden to Management's presence, particularly on areas which would require the focus of the AC pertaining to overseeing financial reporting;

Audit Committee Report

(2) External and Internal Auditors (Cont'd)

(f) Reviewed and approved the Internal Audit Plan for the financial year, focusing on the adequacy of scope and coverage of auditable areas, including the basis of scoping the areas to be audited and staffing requirements to ensure higher risk areas were identified for audit vis-à-vis the adequacy of resource availability;

(g) Reviewed the Internal Audit scope to ensure the coverage encompassed internal controls on operations, financial, compliance and information technology processes relating to the Group based on the approved Internal Audit Plan;

(h) Discussed and reviewed the major findings, areas requiring improvements and key significant internal audit matters raised by Group Internal Audit and Management's responses thereto, including follow-up on the status of actions taken by Management to address issues raised in previous internal audits. Management of the respective business units where internal audit issues were raised and who attended the AC meetings to provide further explanations to the AC, were entrusted to formulate action plans to improve internal control procedures and workflow processes based on the Group Internal Audit's recommendations;

(i) Reviewed the independence, performance, competence and effectiveness of the Group Internal Audit Function; and

(j) Held a private session with the Head of Group Internal Audit without the presence of Executive Directors, Senior Management and Committee Secretaries. This session provided a platform for the Head of Group Internal Audit to discuss with the AC on areas of professional reservations he might have, including limitation to his scope of work by Management during internal audit, if any.

(3) Related Party Transactions and Recurrent Related Party Transactions

Reviewed the recurrent related party transactions ("RRPTs") of the Group on a quarterly basis to ensure that the transactions entered into by the Group were within the shareholders' mandate obtained at the last AGM of the Company, in relation to the nature and value limits of the transactions, including "arm's length" terms of trade. For impending related party transactions to be entered into by the Group, the AC deliberated on the nature of the transactions and ensured the terms were in line with the Group's Related Party Transactions Policy and Disclosure Framework and that disclosures were properly made in accordance with the MMLR of Bursa Securities.

(4) Other Matters

(a) Reviewed the Circular to Shareholders in relation to shareholders' mandate on RRPTs and the review procedures of RRPTs, Audit Committee Report, Statement on Risk Management and Internal Control and Sustainability Report for inclusion in this Annual Report to ensure compliance with the relevant regulatory reporting requirements prior to recommending the same to the Board for approval;

(b) Reviewed the corporate risks scorecards of the Group and endorsed the action plans that were being implemented by Management of the various business divisions to mitigate the identified business risks to acceptable levels;

(c) Reviewed the External Auditors' Assessment Policy & Procedures, Limit of Authority of WTCH Group, Code of Business Conduct for Third Parties; and revisions on Terms of Reference of the AC and RMSC, Anti-Bribery and Anti-Corruption Policy, Risk Management Policy & Procedures as well as Framework for Corruption Risk Assessment, and recommended the same for approval by the Board; and

(d) Received fraud case reports and noted the findings and decisions made by the Special Case Committee.

Audit Committee Report

INTERNAL AUDIT FUNCTION AND ACTIVITIES

The AC is supported by an in-house Group Internal Audit Department ("GIA"), which reports functionally to the AC and is independent of the activities it audits. The GIA is headed by Mr. Khoo Choong Keat, a Certified Internal Auditor and Certified Fraud Examiner, who is assisted by two (2) internal audit personnel. For the financial year under review, all the internal audit team members have confirmed in writing that they were free from any relationship that could impair their objectivity and independence as internal auditors. Relevant trainings were provided to the GIA team members to ensure they were equipped with the necessary knowledge, skills, and other competencies to perform the audit engagement. All internal audits conducted during the financial year under review and up to the date of this Audit Committee Report were guided by the International Professional Practices Framework of The Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors.

GIA operates under a charter approved by the AC that provides the internal audit function with a formal mandate to carry out its work, including unrestricted access to information and personnel of companies within the Group for the purpose of conducting internal audit.

The GIA adopts a risk-based approach in identifying areas to be audited on a prioritised basis that focuses on key activities of major business divisions within the Group, taking into consideration the key business risks faced by the Group. Internal audit activities are guided by an annual audit plan which is approved by the AC.

The main objectives of internal audit are to assess the adequacy and operating effectiveness of the internal control and risk management systems, and that the operating units and functions assessed are operating in line with the existing Group's policies and procedures and within the risk appetite of the Group.

Full details of the work and activities carried out by GIA for the financial year under review, including the costs incurred by GIA, are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

This Audit Committee Report is dated 3 April 2024.

Statement on Risk Management and Internal Control

Pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities, the Board is required to provide a statement in the Company's annual report about the state of risk management and internal control of the Company as a group.

The Board is pleased to furnish the Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the system of risk management and internal control in the Group (comprising the Company and its subsidiaries) for the financial year ended 31 December 2023 and up to the date of this report. This Statement has considered and included the mandatory contents outlined in the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers", a publication of Bursa Securities, which provides guidance to listed issuers in preparing the Statement.

BOARD'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and operating effectiveness to safeguard shareholders' investment and the Group's assets. Due to the inherent limitations in any system of risk management and internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, this system can only provide reasonable, but not absolute, assurance against material misstatement, financial loss or fraudulent activities.

The Board confirms that there is a continuous process to identify, evaluate, manage, report and monitor the significant risks of the Group, except for the review of risk management and internal control in associate and jointly controlled entities where the Group's interest is served through representation on the board of directors of the associate and joint venture companies. The Board also affirms that such a process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. During the financial year, key risks relating to the Group's operations were identified and evaluated in terms of their impact to the Group, including implementation and monitoring of action plans to mitigate the risks to acceptable levels, and thereafter tabled to the Audit Committee ("AC") and the Board for comments and notation.

The Board has delegated the oversight of risk management and internal controls to the AC, which comprises three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chief Executive Officer, who chairs the Risk Management and Sustainability Committee ("RMSC"), updates significant matters deliberated at the RMSC meeting to the AC and the Board, where comments are noted for follow-up, as appropriate.

MANAGEMENT'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

The RMSC is primarily responsible for implementing the risk management framework, approved by the Board. This framework, which is aligned with ISO31000: 2018 Risk Management – Guidelines, provides practical handles to process owners to ensure that risk management processes are adequate, and that appropriate actions have been, or are being, taken by the business unit management to mitigate identified business risks to acceptable levels across the Group. The risk management process incorporates procedures to identify business risks that are strategic, operational, financial and compliance in nature as well as other key risks affecting cyber security, corruption, business sustainability and reputation. The Group continues to foster a risk-aware culture in decision making and commits to manage business risks in a proactive and effective manner, in particular, enabling the Group to respond in tandem with evolving business sentiments and market forces, which is critical for the Group's sustainability, safeguarding of assets and enhancement of shareholder value.

Statement on Risk Management and Internal Control

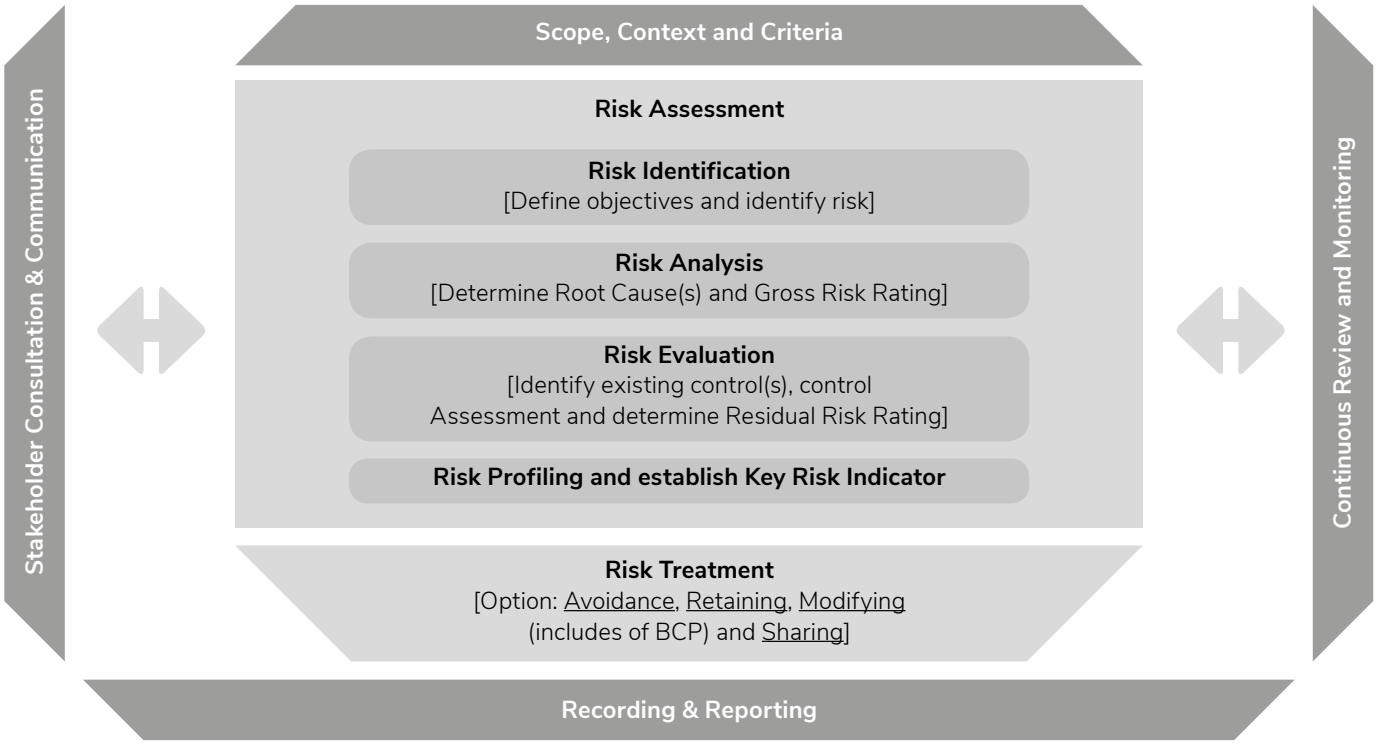
RISK MANAGEMENT FRAMEWORK

Key features of the Group's risk management framework are as follows:

- Establishment of the RMSC, headed by the Chief Executive Officer, which comprises key management personnel from the respective business units. The RMSC is entrusted with, amongst others, the responsibility to identify and communicate to the Board, through the AC, the principal business risks that the Group faces, their changes and management action plans to mitigate the risks and oversee the performance in such areas and the extent of any action taken to address issues identified for improvement. Minutes of the RMSC meetings are presented to the AC and the Board for notation, including any questions that may be raised for clarification;

- Adoption of the Risk Management Policy and Procedures, which outline the Group's risk management framework, including practical guidance for operating personnel on risk management issues; and

- Periodic updates on the Risk Profile and Key Risk Indicator ("KRI") Dashboard by the heads of business unit ("HOBUs"). The KRIs are measured, tracked regularly and reported to the RMSC and the AC periodically. Appropriate triggering points are identified in the KRIs and, if triggered, action or treatment plans are initiated by HOBUs to manage such risks to acceptable levels. The Group has adopted the ISO31000:2018's risk management guidelines in its risk management framework, as depicted in the diagram below:



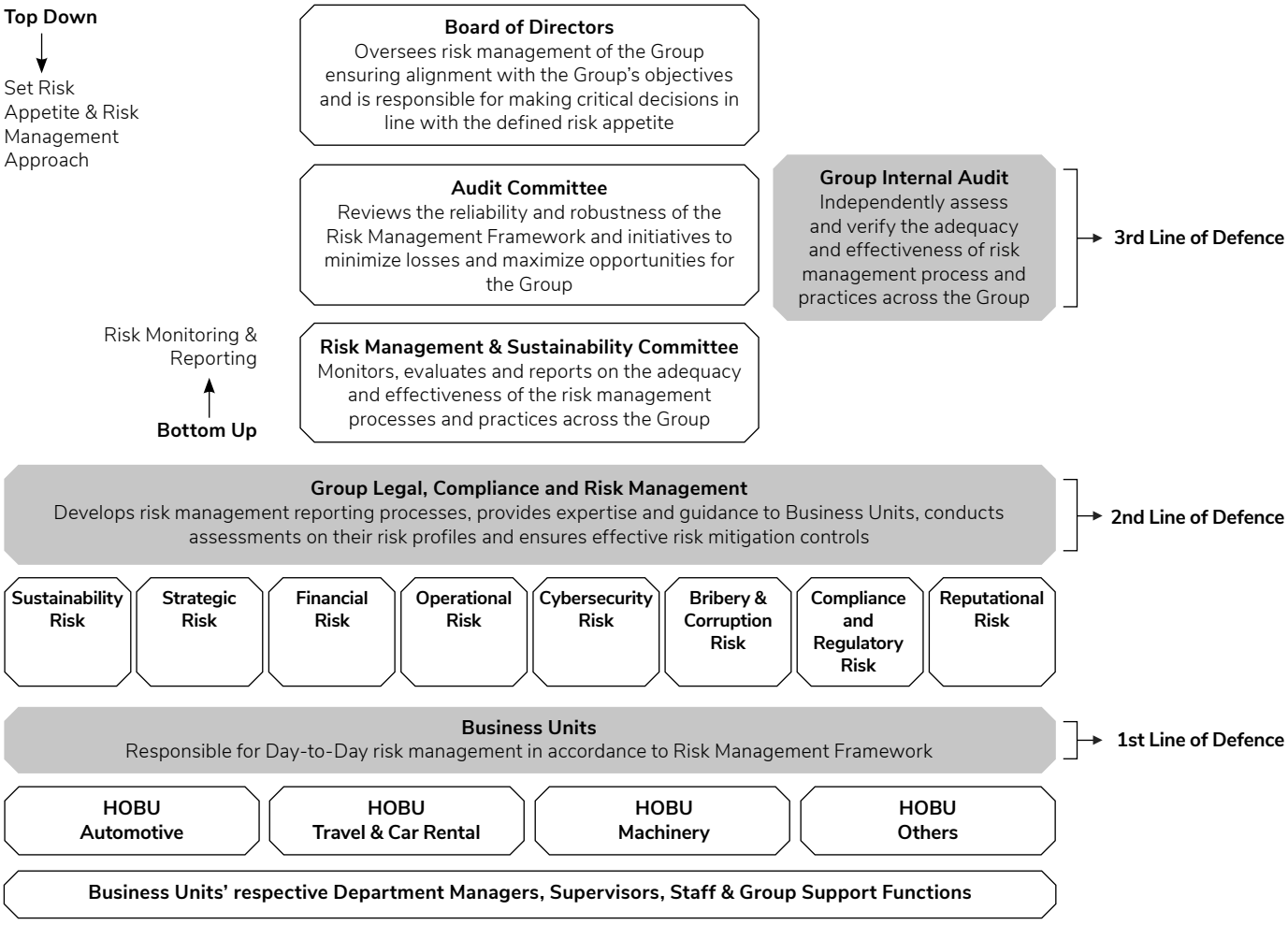
Statement on Risk Management and Internal Control

Risk champions are appointed from each business unit to co-ordinate with the Group Legal, Compliance & Risk Management ("GLCRM") in implementing risk management initiatives in their respective business units. They work closely with their respective HOBUs to strengthen risk management process within the Group by supporting the risk assessment process, monitoring and following up on action plans to be implemented.

The HOBUs identify and assess key business risks as guided by the risk management framework. Reports on identified key risk areas, with risk scores based on risk acceptance criteria and remedial measures to address the risks, together with progress updates, are submitted to the RMSC. This process enables the RMSC to evaluate the adequacy and operating effectiveness of the risk management process and internal control system, including additional remedial actions planned to mitigate the risks to acceptable levels.

During the financial year, the RMSC convened four (4) meetings to review emerging and existing key risks that affected the Group's business operations and the mitigating steps to address them. Focus was directed towards identifying and evaluating risks affecting strategies, finance, operations, cybersecurity, bribery and corruption, sustainability and reputation, including the measures implemented to mitigate them.

The diagram below summarises the governance structure and escalation process under the Group's risk management framework:



Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK (Cont'd)

The various lines of defence are explained as follows:

- First Line of Defence
  Conduct of day-to-day activities and risk management actions by the business units, comprising the respective heads, department managers, supervisor staff and Group support functions. Each business unit owns and manages risks within their respective operations, ensuring compliance with policies and procedures;

- Second Line of Defence
  GLCRM develops, drives and rolls out the risk management and sustainability framework and reporting processes as well as provides expertise, guidance and support in risk management to the first line while also conducting thorough assessments, questioning, and testing of their risk-related matters; and

- Third Line of Defence
  The in-house Internal Audit function ("Group Internal Audit") provides independent and objective assurance and advice on the adequacy and effectiveness of the risk management and internal control system. The detailed remit and works carried out by the Group Internal Audit are elaborated in this Statement under the Internal Audit function below.

The AC, which is assisted by the Group Integrity Officer, the Group Internal Audit and the External Auditors, reviews the risk management framework initiatives undertaken by the Group to ensure that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a timely manner. This in turn minimises losses and maximises opportunities for the Group. The Group Integrity Officer oversees adherence to policies and procedures set out in the Group's anti-bribery and anti-corruption policy ("ABAC Policy") and ensures that adequate procedures are put in place to prevent corruption acts inherent in the Group's operations, further details of which are provided in this Statement below.

The Board is assisted by the AC in overseeing the adequacy and operating effectiveness of the system of risk management and internal control, including compliance with the Group's ABAC Policy.

INTERNAL CONTROL SYSTEM

Key elements of the Group's internal control system are described as follows:

- Formalisation of defined lines of responsibility, authority limit thresholds, delegation of authority, segregation of duties and information flow;
- The Executive Management Committee reviews high-level operating policies as well as monitors the performance and profitability of business divisions;
- Internal policies and procedures have been established in writing for adherence by all personnel in the Group to enable activities to be conducted in a structured and orderly manner;
- Establishment of planning and budgetary process for business units, with periodical monitoring of performance so that major variances from approved budgets are adequately accounted for, including the follow-up of Management actions taken to address adverse variances noted;
- The Group's performance is reviewed and deliberated by the AC and Board on a quarterly basis with financial performance variances presented by Management, including explanations for significant variances from preceding periods as well as from the budget. The quarterly deliberations also include proposed action plans deployed by the various business units to realise corporate objectives;
- Justification and approval process for major expenditures to ensure congruence with the Group's strategic objectives; and
- Independent appraisals by the Group Internal Audit to determine ongoing compliance with policies and procedures, as well as assess the adequacy and operating effectiveness of the Group's internal control system that covers strategic, financial, compliance, and operational risks.

The Board has formalised a Fraud Prevention Framework, providing broad principles, strategy and policy for the Group in relation to fraud and malpractices. This framework establishes comprehensive programmes and controls for the Group as well as highlights the roles and responsibilities at every level of operations for preventing and responding to fraud and malpractice.

Statement on Risk Management and Internal Control

The Board has also established the ABAC Policy, which is aligned with the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the MACC Act 2009. The primary aim of the ABAC Policy is to promote and maintain good governance, integrity and accountability within the Group and to govern the Group's interaction with its stakeholders so that corruption and bribery risks residing in the Group's operations are identified in a timely and structured manner for reasonable and proportionate procedures to be implemented by Management to prevent their occurrence. A framework governing the general principles and processes on the giving and receiving of gratification has also been established in the ABAC Policy.

In augmenting the fraud prevention framework and the ABAC Policy, the Board has adopted a Special Complaint Policy which sets out procedures for employees and external parties to raise concern on any questionable practices or improprieties within the Group.

INTERNAL AUDIT FUNCTION

The Board has established a Group Internal Audit function, which supports the AC by providing independent and objective assurance on the adequacy and operating effectiveness of the Group's system of risk management and internal control. The Group Internal Audit adopts a risk-based approach that focuses on major risk areas in the Group for the purpose of identifying areas to be audited on a prioritised basis, vis-à-vis the risks inherent in the business divisions concerned. The Internal Audit Plan is tabled annually and approved by the AC before actual audit work commences. The Group Internal Audit reports periodically to the AC its conclusion on the adequacy and operating effectiveness of the system of risk management and internal control of the business divisions, including its observations and recommended action plans for Management's consideration, based on work conducted on the in-scope areas. Agreed-upon remedial actions by Management are included in the report and tracked by the Group Internal Audit on the status of implementation when the latter conducts follow-up review. During the financial year, Management of the relevant business divisions attended certain AC meetings to explain to the AC the root causes which gave rise to the areas of concern reported by the Group Internal Audit, including the action plans agreed to be implemented to prevent recurrence of the issues as reported.

All members of the Group Internal Audit are independent of the activities they audit. The Head of Group Internal Audit has confirmed to the AC that he and his team members were free from any relationship or conflict of interest which could impair their objectivity and independence.

During the financial year under review and up to the date of this Statement, the Group Internal Audit performed internal audits, which encompassed activities and transactions, as the case may be, in respect of the following divisions of the Group:

1) Car Rental Division
   - Conducted the year-end stock count of vehicles at Mayflower Car Rental Sdn Bhd's Headquarter;
   - Reviewed the recovery of accident repair cost from responsible party of Mayflower Car Rental Sdn Bhd;
   - Reviewed the accident repair cost from customers of Gocar Mobility Sdn Bhd;

2) Machinery Division
   - Conducted the year-end stock-take at Heavy Machine Department of TCIM Sdn Bhd's Headquarter in Shah Alam;

3) Automotive Division
   - Attended and observed Angka-Tan Motor Sdn Bhd's and Kereta Komersil Seladang (M) Sdn Bhd's year-end stock-take activities, covering heavy commercial vehicles;
   - Reviewed the vehicle parts warranty claim processes at Angka-Tan Motor Sdn Bhd;

4) Consumer products business
   - Attended and observed the year-end stock-take activities of joint-venture companies, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd;
   - Reviewed the stock write-off processes and procedures at Tan Chong Apparels Manufacturer Sdn Bhd;

5) ESG and Corporate Liability
   - Verified the accuracy of data and engagement method in the Sustainability Statement;
   - Reviewed the adequacy and effectiveness of the corporate liability programme on anti-bribery and anti-corruption;

Statement on Risk Management and Internal Control

INTERNAL AUDIT FUNCTION (Cont'd)

6) Captive Insurance
   - Conducted the mandatory audit, covering compliance with laws and regulations of the Labuan Financial Services Authority, margin of solvency, Labuan new tax regime, anti-money laundering, data integrity, claim processes, level of authority, and risk management process; and

7) Recurrent Related Party Transactions ("RRPTs")
   - Reviewed RRPTs on quarterly basis to ensure that they were transacted on an arm's length basis and in line with the Shareholders' Mandate on RRPTs obtained at the last Annual General Meeting of the Company and the Group's Related Party Transactions Policy and Disclosure Framework.

The costs incurred for the Group Internal Audit function in respect of the financial year ended 31 December 2023 amounted to approximately RM448,000 (2022: RM445,000).

REVIEW OF THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board has received assurance in writing from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system, covering all key controls, including strategic, financial, operational and compliance controls, is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework adopted by the Group. Based on this assurance and feedback from the Group Internal Audit, External Auditors, and Group Integrity Officer, the Board is of the view that there were no material losses that resulted from a breakdown in the system of risk management and internal control during the financial year under review. The Board is also of the view that the system of risk management and internal control, which has been in place for the financial year under review and up to the date of this Statement, is adequate to achieve the Group's business objectives, given that appropriate steps have been, or are being, taken by Management to remediate weaknesses and areas for improvement in internal control as reported by the Group Internal Audit.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the financial year ended 31 December 2023, and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and views by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control is dated 3 April 2024.

Additional Compliance Information

As at 3 April 2024

In compliance with the MMLR of Bursa Securities, the following additional information is provided:

(i) Utilisation of proceeds

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

(ii) Audit and non-audit fees

The amount of audit and non-audit fees incurred for the services rendered by the external auditors of the Company, Mazars PLT or a firm or company affiliated to the external auditors, to the Company and the Group respectively during the financial year ended 31 December 2023 were as follows:

	Group 2023 RM'000	Company 2023 RM'000
Statutory audit fees	450	42
Non-audit fees*	203	9

Note:
* The non-audit fees relate primarily to taxation services.

(iii) 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 fiancial year.

Analysis of Shareholdings

As at 29 March 2024

SHARE CAPITAL

Total Number of Issued Shares	:	67,200,000 ordinary shares
Total Issued Share Capital	:	RM67,200,000
Number of Treasury Shares held	:	2,099,600 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS

(as per the Record of Depositors)

Size of Holdings	No. of Holders	%	No. of Shares Held	%
Less than 100	1,691	40.83	72,608	0.11
100 - 1,000	1,775	42.85	582,533	0.89
1,001 - 10,000	521	12.58	1,812,576	2.79
10,001 - 100,000	106	2.56	3,178,571	4.88
100,001 - 3,255,019*	46	1.11	27,734,103	42.60
3,255,020 and above**	3	0.07	31,720,009	48.73
Sub-Total	**4,142**	**100.00**	**65,100,400**	**100.00**

Notes:
* *Less than 5% of issued shares*
** *5% and above of issued shares*
Adjusted capital after excluding treasury shares

DIRECTORS' SHAREHOLDINGS

(as per the Company's Register of Directors' Shareholdings)

		Direct		Indirect	
	Name	No. of Shares Held	% (1)	No. of Shares Held	% (1)
1.	Dato' Tan Heng Chew	3,755,433	5.77	31,869,028	48.95 (2)
2.	Tan Keng Meng	100	- (3)	-	-
3.	Chin Yen Song	-	-	-	-
4.	Datuk Abdullah bin Abdul Wahab	-	-	-	-
5.	Soh Eng Hooi	-	-	-	-
6.	Lee Min On	-	-	-	-
7.	Dato' Yunus bin Abd Razak	-	-	-	-

Notes:
(1) Percentage is based on total number of issued shares less treasury shares.
(2) Deemed interest by virtue of his interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd ("Wealthmark") pursuant to Section 8(4) of the Companies Act 2016 ("Act") and interests of spouse and children by virtue of Section 59(11)(c) of the Act.
(3) Less than 0.01%.

Analysis of Shareholdings

As at 29 March 2024

SUBSTANTIAL SHAREHOLDERS

(as per the Company's Register of Substantial Shareholders)

	Name	Direct		Indirect	
		No. of Shares Held	% (1)	No. of Shares Held	% (1)
1.	Tan Chong Consolidated Sdn Bhd	23,446,509	36.02	-	-
2.	Dato' Tan Heng Chew	3,755,433	5.77	27,844,509	42.77 (2)
3.	Wealthmark Holdings Sdn Bhd	4,398,000	6.76	-	-
4.	Tan Eng Soon	-	-	23,446,509	36.02 (3)

Notes:
(1) Percentage is based on total number of issued shares less treasury shares.
(2) Deemed interest by virtue of his interests in TCC and Wealthmark pursuant to Section 8(4) of the Act.
(3) Deemed interest by virtue of his interest in TCC pursuant to Section 8(4) of the Act.

THIRTY LARGEST SHAREHOLDERS

(as per the Record of Depositors)

	Name	No. of Shares Held	% (1)
1.	TAN CHONG CONSOLIDATED SDN BHD	21,004,909	32.27
2.	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)*	6,317,100	9.70
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR WEALTHMARK HOLDINGS SDN BHD*	4,398,000	6.76
4.	TAN HENG CHEW	2,897,583	4.45
5.	TAN CHONG CONSOLIDATED SDN BHD	2,371,600	3.64
6.	PANG SEW HA @ PHANG SUI HAR	1,738,095	2.67
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR KHOR SWEE WAH @ KOH BEE LENG (PB)*	1,385,169	2.13
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN BOON PUN*	1,312,196	2.01
9.	TAN BENG KEONG	1,157,003	1.78
10.	KEY DEVELOPMENT SDN BERHAD	1,130,000	1.73
11.	CARTABAN NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-TEMPATAN)*	1,100,000	1.69
12.	TAN BAN LEONG	1,055,307	1.62

Analysis of Shareholdings

As at 29 March 2024

THIRTY LARGEST SHAREHOLDERS (Cont'd)
(as per the Record of Depositors)

	Name	No. of Shares Held	% (1)
13.	TAN YING XIU	964,400	1.48
14.	WONG YU @ WONG WING YU	912,400	1.40
15.	WONG YU @ WONG WING YU	891,500	1.37
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *MAYBANK PRIVATE WEALTH MANAGEMENT FOR TAN HOE PIN (12024580)(449770)*	784,656	1.20
17.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN HENG CHEW (E-KLC)*	760,400	1.17
18.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK*	720,300	1.11
19.	GAN TENG SIEW REALTY SDN BERHAD	692,500	1.06
20.	TAN CHEE KEONG	682,960	1.05
21.	CHINCHOO INVESTMENT SDN BERHAD	583,700	0.90
22.	TAN CHEE KEONG	474,043	0.73
23.	TAN HOE PIN	442,405	0.68
24.	SEGAMAT HOLDINGS SDN BHD	404,100	0.62
25.	KEY DEVELOPMENT SDN BERHAD	358,900	0.55
26.	CHAN KIM SENDIRIAN BERHAD	338,400	0.52
27.	ASSOCIATED ABRASIVES SDN BHD	331,600	0.51
28.	RENGO MALAY ESTATE SENDIRIAN BERHAD	330,000	0.51
29.	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)*	310,250	0.48
30.	LAI SHWU YAN	288,500	0.44
	TOTAL	**56,137,976**	**86.23**

Note:
(1) *Percentage is based on total number of issued shares less treasury shares.*

Ten Largest Properties of the Group

As at 31 December 2023

No.	Location	Description	Land Area (sq. feet)	Built-up Area (sq. feet)	Tenure/ Expire Date	Net Book Value (RM million)	Age of Building (years)	Date of Acquisition	Year of Revaluation
1	Lot 1A, Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.06.2074	43.5	49	10.09.2004	2023
2	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	32.9	31	02.03.2004	2023
3	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	27.9	31	20.12.1990	2023
4	18 VSIP II Street 2 Vietnam Singapore Industrial Park II (VSIP II) Binh Duong Industry Service Urban Complex How Dau Mot Town Bihn Duong Province Vietnam	Industrial land & building	135,108	9,890	Leasehold 30.11.2055	12.0	13	02.12.2009	2023
5	No 1, Jalan Metro Pudu Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	Commercial shop office	2,902	16,296	Freehold	9.7	15	06.06.2008	2023
6	18, Jalan Segambut Pusat 51200 Kuala Lumpur	Office & vehicle store yard	17,574	18,160	Leasehold 16.06.2067	8.5	47	01.10.1977	2023
7	No 3, Jalan Perusahaan Perkhidmatan Pengkalan Taman Pengkalan Maju 34700 Simpang, Taiping Perak	Office building annexed with factory	72,646	57,464	Freehold	5.4	23	05.04.2007	2023
8	No 3, Jalan IM 3/16 Bandar Indera Mahkota 25200 Kuantan Pahang	Office and workshop	18,406	12,870	Leasehold 11.06.2062	2.5	15	28.10.2016	2023
9	19, Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	1.8	31	20.05.2000	2023
10	43, Jalan IMJ 3 Taman Industry Malim Jaya 75050 Malacca	Office and workshop	11,087	3,700	Leasehold 18.11.2095	1.1	27	12.12.1996	2023

Statement on Directors' Responsibility

For Preparing the Annual Audited Financial Statements
For the Financial Year Ended 31 December 2023

The Directors are required by the Companies Act 2016 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 2023, 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 2016 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 2016. 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 Financial Year Ended 31 December 2023

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in notes 8, 9 and 10 to the financial statements, respectively. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year attributable to:		
Owners of the Company	(1,769)	(19,490)
Non-controlling interests	(662)	-
Loss for the financial year	(2,431)	(19,490)

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend for the current financial year.

SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.

TREASURY SHARES

At the Annual General Meeting held virtually on 2 June 2023, the shareholders of the Company had granted mandate to the Company to purchase its own shares. During the financial year, the Company did not repurchase its own shares and none of the existing treasury shares held was cancelled, sold or used for such other purposes permitted under the Companies Act 2016.

As at 31 December 2023, the Company held 2,099,600 shares as treasury shares out of its total issued and paid-up share capital.

Directors' Report

For the Financial Year Ended 31 December 2023

SUBSIDIARIES

Details of the subsidiaries are set out in note 8 to the financial statements.

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Dato' Tan Heng Chew
Tan Keng Meng
Chin Yen Song
Datuk Abdullah bin Abdul Wahab
Lee Min On
Soh Eng Hooi
Dato' Yunus bin Abd Razak

LIST OF DIRECTORS OF SUBSIDIARIES

The directors (excluding directors who are also directors of the Company) in office of the subsidiaries during the period commencing from the beginning of the financial year to the date of this report are:

Ang Lay Bee
Chin Ten Hoy
Christopher Tan Kok Leong
Datuk Saharudin bin Muhamad Toha
Ho Wai Ming
Hout Kimmeng
Lee Kim Hay @ Tong Ah See
Lee King Soon
Nicholas Tan Chye Seng
Sai Chang Choon
Tse Pei Chen
Wong King Yoon
Yap Kiam Beng
Tan Soon Huat
Alagasan A/L Gadigaselam
Tung Swee Har
Ke Bee Kian
Abdul Rahman bin Mohamed
Lee Koon Seng
Wan Chun Shong
Cheng Mun Kean
Chew Yoke Tong
Ts. Low Teck Keong
Lim Ming Tuck (Appointed on 15 May 2023)
Chan Boon Tee (Appointed on 17 May 2023)
Yong Ye Yeen (Appointed on 8 January 2024)
Terence Lau Han Seong (Appointed on 8 January 2024)
Yeap Ling Weng (Resigned on 31 May 2023)
Goh Kar Hua (Resigned on 29 December 2023)
Desmond Hang Chai Wei (Resigned on 29 December 2023)

Directors' Report

For the Financial Year Ended 31 December 2023

DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of the financial year, had interests in shares as follows:

	Number of ordinary shares			
	At 1 January 2023	**Acquisition**	**Disposal**	**At 31 December 2023**
The Company				
Dato' Tan Heng Chew				
- direct interest	3,747,033	8,400	-	3,755,433
- indirect interest ^	27,844,509	-	-	27,844,509
- indirect interest #	4,011,619	12,900	-	4,024,519
Tan Keng Meng				
- direct interest	100	-	-	100

^ *Indirect interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.*

Indirect interest by virtue of interests held by spouse and children pursuant to Section 59(11)(c) of the Companies Act 2016.

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

Other than as disclosed above, none of the other directors in office at the end of the financial year held any interest in shares in the Company or its related corporations during the financial year.

Directors' Report

For the Financial Year Ended 31 December 2023

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company or any of its subsidiaries 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.

Since the end of the previous financial year, no director or past director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than fee, remuneration and other benefits received or due and receivable by the directors or past directors of the Company from the Company or its subsidiaries during the financial year as presented below:

		Group RM'000	Company RM'000
(a)	Non-executive directors		
	Fees	307	307
	Other short term benefits	73	73
		380	380
(b)	Executive directors		
	Remuneration	4,856	1,847
	Other short term benefits	34	-
	Defined contribution plan	694	351
	Post employment benefits	605	543
		6,189	2,741
	Total	6,569	3,121

The directors and officers of the Company, subsidiaries and jointly controlled entities were insured against certain liability under a Directors' and Officers' liability insurance policy maintained on a group basis for up to a maximum of RM30,000,000 in aggregate. During the financial year, the total amount of insurance premium paid by the Company and its directors for the Directors' and Officers' liability insurance policy was RM45,526 and RM2,396, respectively.

CONSOLIDATION OF A SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END

Due to the local requirements in Myanmar, MAT Transportation Solution (Myanmar) Company Limited ("MATTS"), a foreign subsidiary of the Company is adopting 31 March as its statutory financial year end, which does not coincide with that of the Company. The directors of the Company have been granted approval by Companies Commission of Malaysia under Section 247(3) of the Companies Act 2016 for MATTS to adopt a financial year end of 31 March, which does not coincide with that of the Company of 31 December. Management financial statements of MATTS made up to 31 December 2023 have been used for the purpose of preparing the consolidated financial statements of the Group.

Directors' Report

For the Financial Year Ended 31 December 2023

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

(i) to ascertain that appropriate action had been 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 that 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 including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets 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 inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements 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 or 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 which has arisen since the end of the financial year.

No contingent or other liability 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 Group or of the Company to meet their obligations 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 which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company during 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.

Directors' Report

For the Financial Year Ended 31 December 2023

AUDITORS

The total amounts of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company for the current financial year are RM653,000 and RM51,000, respectively.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN KENG MENG
Director

CHIN YEN SONG
Director

Kuala Lumpur

3 April 2024

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Keng Meng and Chin Yen Song, being two of the directors of Warisan TC Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards as issued by Malaysian Accounting Standards Board, IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN KENG MENG
Director

CHIN YEN SONG
Director

Kuala Lumpur

3 April 2024

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lee Koon Seng, being the officer primarily responsible for the financial management of Warisan TC Holdings Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements 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
by the abovenamed
Lee Koon Seng
at Kuala Lumpur
in the Federal Territory
on 3 April 2024

LEE KOON SENG
Chartered Accountant
MIA Membership No.: CA 8143

Before me:

SHAHRIZAL NASRUL
No. W1015
Commissioner for Oaths
(Pesuruhjaya Sumpah)
Kuala Lumpur

Independent Auditors' Report

To the Members of Warisan TC Holdings Berhad
Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Warisan TC Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 116 to 191.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Group

<u>Valuation of inventories</u>

Refer to *Significant Accounting Judgements and Estimations* in note 4 to the financial statements and *Inventories* in note 15 to the financial statements.

The Risk:

As at 31 December 2023, the inventories of the Group stood at RM148,835,000. According to MFRS 102 *Inventories* and the Group's accounting policy, inventories are measured at the lower of cost and net realisable value. The cost of inventories may not be recoverable, if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable, if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. At the end of the financial year, management applied judgement in estimating the net realisable value of the inventories. Estimates of net realisable value were based on the most reliable evidence available at the time the estimates were made, of the amount the inventories were expected to realise. These estimates took into consideration fluctuations of price or cost directly relating to events occurred after the end of the financial year to the extent that such events confirmed conditions existing at the end of the financial year.

Due to the significance of inventories of the Group and the involvement of management's judgements and estimations in measuring the inventories, this is considered a key audit matter.

Independent Auditors' Report

To the Members of Warisan TC Holdings Berhad
Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Key Audit Matters (Cont'd)

(a) Group (Cont'd)

Valuation of inventories (Cont'd)

Our Response:

Our audit procedures included, among others, the following:

- We obtained an understanding of the Group's process in estimating the net realisable value of the inventories; and the write down or write off of inventories, where applicable.
- We attended and observed the physical inventory count at the end of the financial year, including management's process in assessing the condition of inventories.
- We tested, on a sample basis, the inventories were carried at the lower of cost and net realisable value by comparing the selling price based on available evidence of the amount the inventories were expected to realise. The evidence obtained including prices or costs of transactions or events occurred after the end of the financial year.
- We tested, where applicable, the adequacy of write down or write off of inventories which were assessed by management as slow moving, damaged or obsolete items, on a sample basis.

(b) Company

We do not have any key audit matters in connection with the audit of the separate financial statements of the Company to be communicated in this report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To the Members of Warisan TC Holdings Berhad
Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the Members of Warisan TC Holdings Berhad
Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 8 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

CHONG FAH YOW
03004/07/2024 J
Chartered Accountant

Kuala Lumpur

3 April 2024

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 RM'000	2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**201,832**	187,160
Right-of-use assets	6	**29,819**	26,230
Investment property	7	**43,500**	43,500
Investments in associates	9	**852**	570
Investments in jointly controlled entities	10	**40,282**	34,748
Intangible assets	11	**11,137**	10,867
Deferred tax asset	12	**6,480**	5,216
Finance lease receivables	13	**125**	663
Other investments	14	**6,132**	456
TOTAL NON-CURRENT ASSETS		**340,159**	309,410
CURRENT ASSETS			
Inventories	15	**148,835**	128,630
Trade and other receivables	16	**148,323**	125,141
Derivative financial asset	24	**9**	263
Current tax asset		**838**	6,990
Short term deposits		**8,603**	2,749
Fixed deposits		**30,542**	37,163
Cash and bank balances		**48,498**	43,926
TOTAL CURRENT ASSETS		**385,648**	344,862
TOTAL ASSETS		**725,807**	654,272

Consolidated Statement of Financial Position

As at 31 December 2023 (Cont'd)

	Note	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	**67,200**	67,200
Treasury shares	18	**(4,213)**	(4,213)
Merger reserve	19(a)	**(40,999)**	(40,999)
Translation reserve	19(b)	**3,386**	2,962
Hedging reserve	19(c)	**(373)**	(539)
Revaluation reserve	19(d)	**78,707**	67,285
Retained earnings		**141,859**	142,420
Total equity attributable to owners of the Company		**245,567**	234,116
Non-controlling interests		**20,722**	22,118
TOTAL EQUITY		**266,289**	256,234
NON-CURRENT LIABILITIES			
Lease liabilities	6	**1,283**	2,937
Borrowings	20	**5,011**	3,504
Retirement benefits obligation	21	**8,429**	8,313
Deferred tax liability	12	**18,241**	15,162
TOTAL NON-CURRENT LIABILITIES		**32,964**	29,916
CURRENT LIABILITIES			
Contract liabilities	22	**10,571**	11,321
Trade and other payables	23	**156,200**	123,675
Lease liabilities	6	**3,051**	3,296
Borrowings	20	**254,647**	227,691
Current tax liability		**1,586**	1,167
Derivative financial liability	24	**499**	972
TOTAL CURRENT LIABILITIES		**426,554**	368,122
TOTAL LIABILITIES		**459,518**	398,038
TOTAL EQUITY AND LIABILITIES		**725,807**	654,272

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2023

	Note	2023 RM'000	2022 RM'000
Revenue	25	**455,192**	480,424
Cost of sales		**(352,497)**	(390,638)
Gross profit		**102,695**	89,786
Other income and gains		**3,440**	3,572
Selling and distribution expenses		**(34,696)**	(36,001)
Administrative and general expenses		**(68,498)**	(66,592)
Finance income	26	**2,312**	1,098
Finance costs	27	**(10,636)**	(7,531)
Net finance costs		**(8,324)**	(6,433)
Share of results of equity accounted associates, net of tax	9	**(71)**	(265)
Share of results of equity accounted jointly controlled entities, net of tax	10	**6,894**	4,539
Profit/(Loss) before tax	28	**1,440**	(11,394)
Tax expense	29	**(3,871)**	(1,116)
Loss for the financial year		**(2,431)**	(12,510)
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 flows hedge		**166**	(286)
Exchange differences on translation of foreign operations		**424**	23
		590	(263)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2023 (Cont'd)

	Note	2023 RM'000	2022 RM'000
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefits obligation		**682**	3,722
Revaluation of property, plant and equipment		**11,948**	-
Share of other comprehensive income of jointly controlled entities	10	**-**	9
		12,630	3,731
Other comprehensive income for the financial year		**13,220**	3,468
Total comprehensive income/(loss) for the financial year		**10,789**	(9,042)
Loss for the financial year attributable to:			
Owners of the Company		**(1,769)**	(11,535)
Non-controlling interests		**(662)**	(975)
Loss for the financial year		**(2,431)**	(12,510)
Basic and diluted loss per share (sen)	30	**(3)**	(18)
Total comprehensive income/(loss) for the financial year attributable to:			
Owners of the Company		**11,451**	(8,061)
Non-controlling interests		**(662)**	(981)
Total comprehensive income/(loss) for the financial year		**10,789**	(9,042)

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

	Attributable to Owners of the Company									
	Non-distributable						Distributable			
	Share capital 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 2022	67,200	(4,213)	(40,999)	2,939	(253)	67,811	149,698	242,183	23,093	265,276
Loss for the financial year	-	-	-	-	-	-	(11,535)	(11,535)	(975)	(12,510)
Other comprehensive income for the financial year	-	-	-	23	(286)	-	3,731	3,468	-	3,468
Total comprehensive loss for the financial year	-	-	-	23	(286)	-	(7,804)	(8,067)	(975)	(9,042)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(526)	526	-	-	-
At 31 December 2022	67,200	(4,213)	(40,999)	2,962	(539)	67,285	142,420	234,116	22,118	256,234
Loss for the financial year	-	-	-	-	-	-	(1,769)	(1,769)	(662)	(2,431)
Other comprehensive income for the financial year	-	-	-	424	166	11,948	682	13,220	-	13,220
Total comprehensive income for the financial year	-	-	-	424	166	11,948	(1,087)	11,451	(662)	10,789
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(734)	(734)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(526)	526	-	-	-
At 31 December 2023	67,200	(4,213)	(40,999)	3,386	(373)	78,707	141,859	245,567	20,722	266,289

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

	Note	2023 RM'000	2022 RM'000
OPERATING ACTIVITIES			
Profit/(Loss) before tax		**1,440**	(11,394)
Adjustments for:			
Allowance for doubtful debts	16(b) and 16(c)	**204**	5,116
Amortisation of intangible assets	11	**557**	205
Bad debts written off		**177**	49
Depreciation of property, plant and equipment	5	**35,853**	38,008
Depreciation of right-of-use assets	6	**4,187**	4,848
Gain on disposal of assets held for rental		**(8,397)**	(7,274)
Gain on disposal of property, plant and equipment		**(135)**	(200)
Intangible assets written off	11	**-**	283
Interest expense	27	**10,636**	7,531
Interest income	26	**(2,312)**	(1,098)
Inventories written down	15(b)	**1,614**	1,221
Net unrealised gain on foreign exchange		**(179)**	(222)
Property, plant and equipment written off	5	**109**	21
Retirement benefits expense	21	**1,189**	1,497
Reversal of allowance for doubtful debts	16(b)	**(1,488)**	(480)
Share of results of equity accounted associates	9	**71**	265
Share of results of equity accounted jointly controlled entities	10(b)(iii)	**(6,894)**	(4,539)
Operating profit before working capital changes		**36,632**	33,837
Changes in inventories		**(21,819)**	3,989
Changes in receivables		**(18,405)**	(16,692)
Changes in payables		**32,040**	(6,152)
Cash generated from operations		**28,448**	14,982
Acquisition of assets held for rental	5(b)	**(31,157)**	(27,573)
Interest received		**1,732**	792
Proceeds from disposal of assets held for rental		**14,930**	15,467
Retirement benefits paid	21	**(176)**	(358)
Net tax refunded/(paid)		**475**	(5,855)
Net cash generated from/(used in) operating activities		**14,252**	(2,545)

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023 (Cont'd)

	Note	2023 RM'000	2022 RM'000
INVESTING ACTIVITIES			
Acquisition of intangible assets	11	**(827)**	(640)
Acquisition of other investments	14	**(5,676)**	(270)
Acquisition of property, plant and equipment		**(12,041)**	(1,926)
Dividend received from jointly controlled entities	10(b)(iv)	**1,360**	560
Interest received		**580**	306
(Placements)/Withdrawals of short term deposits		**(5,854)**	848
Proceeds from disposal of property, plant and equipment		**482**	844
Subscriptions of additional shares in associates	9	**(353)**	(338)
Withdrawals of fixed deposits		**11,417**	2,398
Net cash (used in)/generated from investing activities		**(10,912)**	1,782
FINANCING ACTIVITIES (NOTE A)			
Drawdowns of bankers' acceptances		**190,526**	154,588
Drawdowns of revolving credits		**225,000**	213,791
Dividend paid to non-controlling interests		**(734)**	-
Interest paid		**(10,398)**	(7,229)
Repayments of bankers' acceptances		**(162,117)**	(160,392)
Repayments of bank term loans		**(799)**	(1,631)
Repayments of hire purchases		**(3,983)**	(6,674)
Repayments of lease liabilities		**(4,114)**	(4,534)
Repayments of revolving credits		**(227,545)**	(202,390)
Net cash generated from/(used in) financing activities		**5,836**	(14,471)
NET CHANGES IN CASH AND CASH EQUIVALENTS		**9,176**	(15,234)
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS		**(86)**	(12)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		**45,003**	60,249
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**54,093**	45,003

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023 (Cont'd)

	Note	2023 RM'000	2022 RM'000
Cash and cash equivalents comprise:			
Short term deposits		**8,603**	2,749
Fixed deposits		**30,542**	37,163
Cash and bank balances		**48,498**	43,926
Bank overdrafts	20	**(1,198)**	(920)
		86,445	82,918
Less:			
Surplus funds placed in short term deposits		**(8,603)**	(2,749)
Surplus funds placed in fixed deposits		**(23,749)**	(35,166)
		54,093	45,003

Note (a):

Reconciliation of liabilities arising from financing activities

2023	Bankers' acceptances RM'000	Hire purchases RM'000	Lease liabilities RM'000	Revolving credits RM'000	Bank term loans RM'000
At 1 January	**42,116**	**5,786**	**6,233**	**180,528**	**1,845**
Cash flows:					
Drawdowns of bankers' acceptances	**190,526**	**-**	**-**	**-**	**-**
Drawdowns of revolving credits	**-**	**-**	**-**	**225,000**	**-**
Interest paid	**(1,881)**	**(344)**	**-**	**(5,939)**	**(2,139)**
Repayments of bankers' acceptances	**(162,117)**	**-**	**-**	**-**	**-**
Repayments of bank term loans	**-**	**-**	**-**	**-**	**(799)**
Repayments of hire purchases	**-**	**(3,983)**	**-**	**-**	**-**
Repayments of lease liabilities	**-**	**-**	**(4,114)**	**-**	**-**
Repayments of revolving credits	**-**	**-**	**-**	**(227,545)**	**-**
	26,528	**(4,327)**	**(4,114)**	**(8,484)**	**(2,938)**
Non-cash:					
Addition of lease liabilities	**-**	**-**	**1,977**	**-**	**-**
Drawdowns of hire purchases	**-**	**7,103**	**-**	**-**	**-**
Interest expense	**1,881**	**344**	**238**	**5,939**	**2,139**
	1,881	**7,447**	**2,215**	**5,939**	**2,139**
At 31 December	**70,525**	**8,906**	**4,334**	**177,983**	**1,046**

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023 (Cont'd)

2022	Bankers' acceptances RM'000	Hire purchases RM'000	Lease liabilities RM'000	Revolving credits RM'000	Bank term loans RM'000
At 1 January	47,920	9,468	3,479	161,483	3,476
Cash flows:					
Drawdowns of bankers' acceptances	154,588	-	-	-	-
Drawdowns of revolving credits	-	-	-	213,791	-
Interest paid	(1,149)	(412)	-	(3,645)	(1,944)
Repayments of bankers' acceptances	(160,392)	-	-	-	-
Repayments of bank term loans	-	-	-	-	(1,631)
Repayments of hire purchases	-	(6,674)	-	-	-
Repayments of lease liabilities	-	-	(4,534)	-	-
Repayments of revolving credits	-	-	-	(202,390)	-
	(6,953)	(7,086)	(4,534)	7,756	(3,575)
Non-cash:					
Addition of lease liabilities	-	-	6,986	-	-
Drawdowns of hire purchases	-	2,992	-	-	-
Drawdowns of revolving credits	-	-	-	7,644	-
Interest expense	1,149	412	302	3,645	1,944
	1,149	3,404	7,288	11,289	1,944
At 31 December	42,116	5,786	6,233	180,528	1,845

Statement of Financial Position

As at 31 December 2023

	Note	2023 RM'000	2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**3**	4
Investments in subsidiaries	8	**132,287**	152,357
Investments in jointly controlled entities	10	**24,568**	24,568
Deferred tax asset	12	**208**	363
TOTAL NON-CURRENT ASSETS		**157,066**	177,292
CURRENT ASSETS			
Other receivables	16	**7,043**	7,212
Current tax asset		**3**	3
Cash and bank balances		**3,755**	4,984
TOTAL CURRENT ASSETS		**10,801**	12,199
TOTAL ASSETS		**167,867**	189,491
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	**67,200**	67,200
Treasury shares	18	**(4,213)**	(4,213)
Retained earnings		**94,785**	114,146
TOTAL EQUITY		**157,772**	177,133
NON-CURRENT LIABILITIES			
Retirement benefits obligation	21	**1,533**	1,516
Other payables	23	**2,738**	5,189
TOTAL NON-CURRENT LIABILITIES		**4,271**	6,705
CURRENT LIABILITY			
Other payables	23	**5,824**	5,653
TOTAL LIABILITIES		**10,095**	12,358
TOTAL EQUITY AND LIABILITIES		**167,867**	189,491

The accompanying notes form an integral part of the financial statements

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2023

	Note	2023 RM'000	2022 RM'000
Revenue	25	**10,963**	5,789
Administrative and general expenses		**(5,151)**	(3,671)
Impairment losses on investments in subsidiaries	8	**(25,021)**	-
Finance income	26	**81**	40
Finance costs	27	**(248)**	(253)
Net finance costs		**(167)**	(213)
(Loss)/Profit before tax	28	**(19,376)**	1,905
Tax (expense)/income	29	**(114)**	76
(Loss)/Profit for the financial year		**(19,490)**	1,981
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefits obligation		**129**	278
Total comprehensive (loss)/income for the financial year		**(19,361)**	2,259

The accompanying notes form an integral part of the financial statements

Statement of Changes in Equity

For the financial year ended 31 December 2023

	← Non-distributable →		Distributable	
	Share capital RM'000	**Treasury shares RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 January 2022	67,200	(4,213)	111,887	174,874
Profit for the financial year	-	-	1,981	1,981
Other comprehensive income for the financial year	-	-	278	278
At 31 December 2022	67,200	(4,213)	114,146	177,133
Loss for the financial year	-	-	(19,490)	(19,490)
Other comprehensive income for the financial year	-	-	129	129
At 31 December 2023	67,200	(4,213)	94,785	157,772

The accompanying notes form an integral part of the financial statements

Statement of Cash Flows

For the financial year ended 31 December 2023

	Note	2023 RM'000	2022 RM'000
OPERATING ACTIVITIES			
(Loss)/Profit before tax		**(19,376)**	1,905
Adjustments for:			
Allowance for doubtful debts	16(c)	**1,157**	-
Depreciation of property, plant and equipment	5	**1**	2
Impairment losses on investments in subsidiaries	8	**25,021**	-
Interest expense	27	**248**	253
Interest income	26	**(81)**	(40)
Retirement benefits expense	21	**187**	-
Operating profit before working capital changes		**7,157**	2,120
Changes in receivables		**(988)**	(99)
Changes in payables		**(2,280)**	124
Cash generated from operations		**3,889**	2,145
Tax paid		**-**	(1)
Net cash generated from operating activities		**3,889**	2,144
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	5	**-**	(3)
Interest received	26	**81**	40
Subscriptions of additional shares in subsidiaries	8	**(4,951)**	(1,394)
Net cash used in investing activities		**(4,870)**	(1,357)
FINANCING ACTIVITY			
Interest paid, representing net cash used in financing activity	27	**(248)**	(253)
NET CHANGES IN CASH AND BANK BALANCES		**(1,229)**	534
CASH AND BANK BALANCES BROUGHT FORWARD		**4,984**	4,450
CASH AND BANK BALANCES CARRIED FORWARD		**3,755**	4,984

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements

For the financial year ended 31 December 2023

1. GENERAL INFORMATION

Warisan TC Holdings Berhad is a public company limited by way of shares and is incorporated and domiciled in Malaysia. The Company 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 disclosed on page 2.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in notes 8, 9 and 10, respectively. There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the material accounting policies which are set out in note 3.

Application of new standard and amendments

In the current financial year, the Group and the Company have applied a number of new standard and amendments that became effective mandatorily for the financial periods beginning on or after 1 January 2023. The adoption of the new standard and amendments did not have significant impact on the disclosures or on the amounts reported in the financial statements.

Amendments issued that are not yet effective

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

		Effective Date
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above amendments is not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the 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 power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has no majority voting rights of an investee, it considers that it has power over the investee if the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

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. 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.

Non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 interests. Any difference arising from equity transactions is recognised directly in equity.

When the Company loses control of a subsidiary:

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

- 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.

- It recognises any investment retained in the former subsidiary at its fair value when control is lost. 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 jointly controlled entities.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(b) Business Combination

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interests in the investee; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination achieved in stages.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, a business combination in which any difference between (a) and (b) above, the Group recognises the resulting gain or loss in profit or loss.

Measurement period adjustments are adjustments that arise from additional information obtained during twelve months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

(c) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised to write off the depreciable amount of property, plant and equipment on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

Freehold land is not depreciated.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(c) Property, Plant and Equipment (Cont'd)

The estimated useful lives are as follows:

Coaches, motor vehicles for hire and other motor vehicles	4 to 10 years
Freehold buildings	50 years
Furniture, fixtures, fittings and office equipment	3 to 7 years
Machinery and equipment for hire	3 to 5 years
Plant, machinery and equipment	2 to 7 years
Renovation	3 to 4 years

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

Valuations on freehold land and buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings as at reporting date. Surplus arising from revaluation is dealt with through the asset revaluation reserve account, net of deferred tax, if any. Any deficit arising is set off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

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

(d) Investment Property

Investment property is measured initially at cost, including transaction costs. Subsequently, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise.

Investment property is derecognised upon disposal or when no future economic benefits are expected from their use. On disposal or retirement of an asset, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(e) Investments in Associates and Jointly Controlled Entities

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A jointly controlled entity is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the sharing of control of an arrangement contractually, which exists only when decisions about the relevant activities require unanimous consent of the parties.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(e) Investments in Associates and Jointly Controlled Entities (Cont'd)

Investments in associates or jointly controlled entities are accounted for in the financial statements using the equity method. The results and net assets of associates or jointly controlled entities are accounted for using uniform accounting policies for like transactions and other events in similar circumstances. An investment is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or jointly controlled entities. Unrealised gains or losses on transactions between the Group and its associates or jointly controlled entities are eliminated to the extent of the Group's interest in the associates or jointly controlled entities.

On acquisition of an investment in an associate or a jointly controlled entity, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, and goodwill is not tested for impairment separately. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

When the Group's share of losses of an associate or a jointly controlled entity exceeds the Group's interest in that associate or jointly controlled entity (includes long-term interests that form part of the Group's net investment in the associate or jointly controlled entity, in substance), equity accounting is discontinued; unless the Group has legal or constructive obligations for such losses.

At each reporting date, the Group determines whether there is any objective evidence that the investment in an associate or a jointly controlled entity is impaired. If there is such indication, Management recognises impairment loss in profit or loss as the difference between the recoverable amount of the associate or jointly controlled entity and its carrying value.

When changes in the Group's interest in an associate or a jointly controlled entity do not affect the use of equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in OCI relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group discontinues the use of equity accounting from the date when the investment ceases to be an associate or a jointly controlled entity. When the Group retains an interest in the former associate or former jointly controlled entities and the retained interest is a financial asset, the Group measures the retained interest at fair value and the fair value is regarded as its fair value on initial recognition. Any gain or loss is recognised in profit or loss. In addition, if a gain or loss previously recognised in OCI by the associate or jointly controlled entities would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or jointly controlled entities is disposed of.

(f) Investments in Subsidiaries, Associates and Jointly Controlled Entities (separate financial statements)

In the Company's separate financial statements, investments in subsidiaries, associates and 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 investment disposed is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(g) Intangible Assets

Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Intangible Assets Acquired Separately

Intangible assets with finite useful lives, which are acquired separately, are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the estimated economic useful lives. The amortisation period and the amortisation method for an intangible asset are reviewed at each reporting date.

Intangible assets with infinite useful lives, which are acquired separately, are measured at cost less accumulated impairment losses.

Internally Generated Intangible Assets - Research and Development

Research expenditure is recognised as an expense when it is incurred.

Costs incurred during the development phase are capitalised as assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- Management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure during development phases can be reliably measured.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The development expenditure is amortised on a straight-line basis over its useful life from the point at which the asset is ready for sale or use. The amortisation period and the amortisation method are reviewed at each reporting date.

Development expenditure that do not meet these criteria are recognised as an expense when incurred. Development expenditure initially recognised as an expense is not recognised as an asset in the subsequent periods.

(h) Income Tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in OCI or directly in equity, if the tax relates to items that are recognised in OCI or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current Tax

Current tax is the expected income tax payable on the taxable profit for the financial year, estimated using the tax rates enacted or substantially enacted at the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(h) Income Tax (Cont'd)

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted for using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

(i) Leases

Lessee

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short term leases and leases of low value assets.

For short term leases (i.e. leases with a lease term of twelve months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(i) Leases (Cont'd)

Lessee (Cont'd)

The estimated useful lives are as follows:

Leasehold land and buildings	50 to 55 years
Properties	2 to 5 years

Valuations on leasehold land and buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold land and buildings as at reporting date. Surplus arising from revaluation is dealt with through the asset revaluation reserve account, net of deferred tax, if any. Any deficit arising is set off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Variable lease payment (not based upon an index or a rate) is recognised as an expense in the period in which it is incurred.

Lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

(k) 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 surplus funds placed in short term deposits and fixed deposits for tenure exceeding three months.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent Measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial Assets at Amortised Cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Financial Assets at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVTOCI, the related interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. All other changes in the carrying amount are recognised in OCI and accumulated in a reserve in equity.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(l) Financial Instruments (Cont'd)

Equity instruments designated at FVTOCI

Upon initial recognition, Management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Impairment of Financial Assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience and, where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(l) Financial Instruments (Cont'd)

Impairment of Financial Assets (Cont'd)

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within twelve months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of Financial Assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial liabilities at FVTPL

Financial liabilities are classified at FVTPL when the financial liability is:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- it is designated at FVTPL.

Financial liabilities are classified as held for trading if they are held for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(l) Financial Instruments (Cont'd)

Financial liabilities at FVTPL (Cont'd)

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

For financial liabilities that are designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial Liabilities at Amortised Cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability by allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the amortised cost of a financial liability.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity Instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured at fair value. The resulting gain or loss is recognised in profit or loss, unless the derivative is designated and effective as a hedging instrument.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(m) Impairment of Tangible and Intangible Assets

Goodwill

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

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

An impairment loss is recognised when the carrying amount of a cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use. The total impairment loss is allocated first to reduce the carrying amount of the allocated goodwill and then to the other assets in that cash-generating unit proportionately on the basis of the carrying amount of each asset in that cash-generating unit. Impairment loss recognised for goodwill is not reversed in subsequent periods.

Tangible Assets and Intangible Assets with Finite Useful Lives

Tangible and intangible assets are assessed at each reporting date to determine whether there is any indication of impairment.

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

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was recognised in OCI. In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation.

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.

(n) Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Hire Purchases

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(p) Employee Benefits

(i) Short Term Benefits

Wages, salaries, paid leave, bonuses and non-monetary benefits are recognised as an expense (at the undiscounted amount) in the period in which the associated services are rendered by the employees.

(ii) Post Employee Benefits

(a) Defined contribution plan

The Company and its Malaysian subsidiaries make monthly contributions to the Employees Provident Fund which is a defined contribution plan. Foreign subsidiaries make contributions to their respective statutory pension plans. The obligation of the Group is limited to the amount that it agrees to contribute to those defined contribution plans. The contributions to those plans are recognised as an expense when the employees have rendered service entitling them to the contribution.

(b) Defined benefit plan

The Group's and the Company's net obligations in respect of their defined benefit plans are 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 three years in advance.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, and are recognised immediately in OCI. The Group and the Company determine the net interest expense or income on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Company recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(q) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group and the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of estimated future cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(r) Revenue

Revenue from a contract with a customer is recognised when control of the goods or services is transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties such as sales taxes and value added taxes, which are not economic benefits that flow to the entity.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Sales of Goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

Rendering of Services

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

Contract Balances Arising from Revenue Recognition

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Other Revenue is recognised as follows:

- Car rental income is recognised on a time proportion basis over the lease term.
- 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.
- Interest income is recognised using the effective interest method.
- 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.
- Dividend income is recognised when the right to receive payment is established.
- Insurance premium income is recognised on the date of the assumption of risks.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(s) Foreign Currencies

Transactions and Balances in Foreign Currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rates on the dates of the transactions. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rates on that date.

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

Exchange differences are recognised in profit or loss, except for:

- Exchange differences on borrowings denominated in foreign currency relating to an asset under construction, which are included in the cost of that asset when the exchange difference is regarded as an adjustment to interest costs on those foreign currency borrowings; and
- Exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in OCI and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Translation of Foreign Operations

For consolidation purposes, all assets and liabilities of foreign operations (including goodwill and fair value adjustments arising from the acquisition of a foreign operation) are translated at the prevailing exchange rates on the reporting date. Income and expense are translated at average exchange rate for the period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in OCI; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation is reclassified to profit or loss.

In a partial disposal that does not result in losing of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re-attributed to non-controlling interests and is not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(t) Segmental Reporting

Segmental 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 reporting 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 tangible assets other than goodwill.

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

(u) 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 between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS

The preparation of the 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 the reported assets, liabilities, income and expenses.

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

Critical Judgement

There are no significant areas of critical judgement in applying accounting policies that have the most material effect on the amount recognised in the financial statements.

Key Estimation and Assumption

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are as follows:

(i) Land and Buildings

The Group determines the fair values of its land and buildings based on a valuation carried out by an independent firm of professional valuers on an open market value basis.

The fair value of land and buildings as at the end of the reporting period is disclosed in notes 5, 6 and 7.

(ii) 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 is allocated.

Estimating value in use requires Management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount and the key assumptions applied in the impairment assessment of goodwill are disclosed in note 11.

(iii) Inventories

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 writes down inventories based primarily on historical trends and Management's estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional write-down for slow moving inventories may be required.

The carrying amount of inventories as at the end of the reporting period is disclosed in note 15.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (Cont'd)

(iv) Trade Receivables

Management assesses the ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 *Financial Instruments* in assessing the impairment of trade receivables.

In determining the ECL, Management uses historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but Management also considers, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking factors means that Management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables as at current reporting date is primarily based upon the historical credit loss experience.

The carrying amount of trade receivables as at the end of the reporting period is disclosed in notes 13 and 16.

(v) Defined Benefit Plan

The Group and the Company determine 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 21. 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 financial year ended 31 December 2023

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and 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	Total RM'000
Cost/Valuation							
At 1 January 2022	71,645	4,059	67,476	28,169	11,144	160,672	343,165
Additions	-	94	16,801	1,335	497	21,408	40,135
Disposals	-	-	(17,837)	(334)	(65)	(18,808)	(37,044)
Written off	-	-	-	(31)	-	(56)	(87)
Effects of movements in exchange rates	-	-	-	-	-	(407)	(407)
At 31 December 2022	71,645	4,153	66,440	29,139	11,576	162,809	345,762
Additions	-	33	15,472	11,684	324	22,788	50,301
Disposals	-	(745)	(17,820)	(84)	-	(20,737)	(39,386)
Written off	-	-	(57)	(19)	(10)	(505)	(591)
Revaluation	7,000	-	-	-	-	-	7,000
Elimination on revaluation	(1,558)	-	-	-	-	-	(1,558)
Effects of movements in exchange rates	-	-	-	-	-	259	259
At 31 December 2023	77,087	3,441	64,035	40,720	11,890	164,614	361,787
Representing item:							
At cost	-	3,441	64,035	40,720	11,890	164,614	284,700
At valuation	77,087	-	-	-	-	-	77,087
At 31 December 2023	77,087	3,441	64,035	40,720	11,890	164,614	361,787

Notes to the Financial Statements

For the financial year ended 31 December 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Freehold land and 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	Total RM'000
Accumulated depreciation							
At 1 January 2022	524	3,498	34,426	25,895	9,287	75,114	148,744
Charge for the financial year	534	150	12,557	1,066	694	23,007	38,008
Disposals	-	-	(13,537)	(311)	(64)	(14,295)	(28,207)
Written off	-	-	-	(31)	-	(35)	(66)
Effects of movements in exchange rates	-	-	-	-	-	(102)	(102)
At 31 December 2022	1,058	3,648	33,446	26,619	9,917	83,689	158,377
Charge for the financial year	500	150	11,346	890	596	22,371	35,853
Disposals	-	(675)	(14,629)	(82)	-	(17,120)	(32,506)
Written off	-	-	(57)	(15)	(10)	(400)	(482)
Elimination on revaluation	(1,558)	-	-	-	-	-	(1,558)
Effects of movements in exchange rates	-	-	-	-	-	46	46
At 31 December 2023	-	3,123	30,106	27,412	10,503	88,586	159,730
Accumulated impairment losses							
At 1 January 2022/31 December 2022/ 31 December 2023	-	140	-	7	1	77	225
Carrying amount							
At 31 December 2022	70,587	365	32,994	2,513	1,658	79,043	187,160
At 31 December 2023	**77,087**	**178**	**33,929**	**13,301**	**1,386**	**75,951**	**201,832**

Notes to the Financial Statements

For the financial year ended 31 December 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) As at 31 December 2023, the carrying amount of cars for hire under hire purchase is RM18,280,000 (2022: RM22,957,000).

(b) Acquisition of assets held for rental

	2023 RM'000	2022 RM'000
Additions	**38,260**	38,209
Financed via borrowings	**(7,103)**	(10,636)
Cash paid	**31,157**	27,573

(c) Land and buildings under property, plant and equipment and right-of-use-assets are measured at revalued amount, being the fair value at the date of revaluation, less accumulated depreciation and impairment losses (if any). The fair values of land and buildings have been arrived at on the basis of a valuation carried out by a firm of independent professional valuers, as at 31 December 2023. The fair values of land and buildings were determined using sales comparison and depreciated replacement cost approach. In the sales comparison approach, sales price of comparable properties in close proximity is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation.

There is no transfer between Level 1 and Level 2 during the financial year (2022: no transfer in either direction).

Had the revalued property, plant and equipment and right-of-use assets been carried under the cost model, the carrying amount of each class of property, plant and equipment and right-of-use assets that would have been included in the financial statements of the Group as at 31 December 2022 and 31 December 2023 would be as follows:

	Freehold land RM'000	Leasehold land (note i) RM'000	Buildings (note ii) RM'000	Total RM'000
Cost				
At 1 January 2022/31 December 2022/ 31 December 2023	15,612	4,145	16,306	36,063
Accumulated depreciation				
At 1 January 2022	-	1,432	5,765	7,197
Charge for the financial year	-	193	334	527
At 31 December 2022	-	1,625	6,099	7,724
Charge for the financial year	-	193	334	527
At 31 December 2023	-	1,818	6,433	8,251
Carrying amount				
At 31 December 2022	15,612	2,520	10,207	28,339
At 31 December 2023	**15,612**	**2,327**	**9,873**	**27,812**

Note (i): The leasehold land is under right-of-use assets.

Note (ii): Certain buildings are under right-of-use assets.

Notes to the Financial Statements

For the financial year ended 31 December 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Furniture, fixtures, fittings and office equipment	
Company	**2023 RM'000**	**2022 RM'000**
Cost		
At 1 January	**367**	364
Additions	**-**	3
At 31 December	**367**	367
Accumulated depreciation		
At 1 January	**363**	361
Charge for the financial year	**1**	2
At 31 December	**364**	363
Carrying amount		
At 31 December	**3**	4

Notes to the Financial Statements

For the financial year ended 31 December 2023

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) The Group as Lessee

(i) Right-of-use Assets

Group	Leasehold land and buildings RM'000	Properties RM'000	Total RM'000
Cost/Valuation			
At 1 January 2022	22,287	11,295	33,582
Additions	-	6,986	6,986
Effects of movements in exchange rates	(140)	-	(140)
At 31 December 2022	22,147	18,281	40,428
Additions	-	1,977	1,977
Revaluation	8,721	-	8,721
Elimination on revaluation	(4,339)	-	(4,339)
Effects of movements in exchange rates	(106)	-	(106)
At 31 December 2023	26,423	20,258	46,681
Representing item:			
At cost	-	20,258	20,258
At valuation	26,423	-	26,423
	26,423	20,258	46,681
Accumulated depreciation			
At 1 January 2022	547	7,986	8,533
Charge for the financial year	616	4,232	4,848
Effects of movements in exchange rates	(22)	-	(22)
At 31 December 2022	1,141	12,218	13,359
Charge for the financial year	382	3,805	4,187
Elimination on revaluation	(1,523)	-	(1,523)
At 31 December 2023	-	16,023	16,023
Accumulated impairment losses			
At 1 January 2022/31 December 2022/31 December 2023	839	-	839
Carrying amount			
At 31 December 2022	20,167	6,063	26,230
At 31 December 2023	**25,584**	**4,235**	**29,819**

Notes to the Financial Statements

For the financial year ended 31 December 2023

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

(a) The Group as Lessee (Cont'd)

(i) Right-of-use Assets (Cont'd)

The leases of (1) leasehold land and buildings and (2) properties are typically made for a period of two to five years. The leases do not impose any covenants.

(ii) Lease Liabilities

	2023 RM'000	2022 RM'000
Current	**3,051**	3,296
Non-current	**1,283**	2,937
	4,334	6,233

The lease payments associated with short term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases. At the reporting date, the Group is committed to approximately RM700,000 (2022: RM700,000) for short term leases.

Total cash outflows for leases during the current financial year (including fixed, variable, short term and low-value assets lease payments) amounted to RM4,819,000 (2022: RM5,181,000).

(b) The Group as Lessor

Property, plant and equipment and investment properties are leased out typically for periods of one to five years (2022: one to five years).

	2023 RM'000	2022 RM'000
(i) Carrying amount of property, plant and equipment (subject to operating leases as lessor):		
Freehold buildings	**14,082**	14,582
Coaches, motor vehicles for hire and other motor vehicles	**75,951**	79,043
Machinery and equipment for hire	**33,929**	32,994
	123,962	126,619
(ii) Carrying amount of investment property (subject to operating leases as lessor)	**43,500**	43,500

Notes to the Financial Statements

For the financial year ended 31 December 2023

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

(b) The Group as Lessor (Cont'd)

(iii) Analysis of undiscounted lease payments to be received after the reporting date, on an annual basis:

	2023 RM'000	2022 RM'000
Not later than one year	**31,147**	29,975
Later than one year but not later than five years	**29,850**	28,111
	60,997	58,086

7. INVESTMENT PROPERTY

Group	2023 RM'000	2022 RM'000
At 1 January/31 December	**43,500**	43,500
Investment property comprises:		
Leasehold land	**40,700**	40,700
Buildings	**2,800**	2,800
	43,500	43,500

(a) Investment property comprises a commercial property that is leased to related parties. Each of the leases contains an initial lease period of one to two (2022: one to two) years. Subsequent renewals are negotiated with lessee and on an average renewal period of two years. No contingent rents are charged.

(b) The following is recognised in profit or loss in respect of the investment property:

	2023 RM'000	2022 RM'000
Rental income	**725**	645
Direct operating expenses	**85**	81

(c) The Group measures its investment property at fair value and any change in fair value is recognised in profit or loss. The fair value of the investment property has been arrived at on the basis of a valuation carried out by a firm of independent professional valuers who have appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair value of the investment property was determined using sales comparison approach. There has been no significant in valuation approach during the financial year.

There is no transfer between Level 1 and Level 2 during the financial year (2022: no transfer in either direction).

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. INVESTMENTS IN SUBSIDIARIES

Company	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At 1 January	**222,741**	221,347
Additions	**4,951**	1,394
At 31 December	**227,692**	222,741
Accumulated impairment losses		
At 1 January	**70,384**	70,384
Additions	**25,021**	-
At 31 December	**95,405**	70,384
Carrying amount		
At 31 December	**132,287**	152,357

The details of the subsidiaries are as follows:

Name of subsidiaries	Effective ownership and voting interest 2023 %	2022 %	Principal place of business and place of incorporation	Principal activities
Mayflower Car Rental Sdn Bhd	**100.00**	100.00	Malaysia	Rental of cars and coaches and trading and marketing of motor vehicles
Mayflower Corporate Travel Services Sdn Bhd ("MCTS")	**100.00**	100.00	Malaysia	Operation of inbound and outbound tours as well as provision of air-ticketing services
Mayflower Holidays Sdn Bhd	**100.00**	100.00	Malaysia	Operation of inbound and outbound tours as well as provision of air-ticketing services
Discovery Tours (Sabah) Sdn Bhd	**100.00**	100.00	Malaysia	Operation of inbound and outbound tours, rental of cars and coaches as well as provision of air-ticketing services
TCIM Sdn Bhd	**100.00**	100.00	Malaysia	Distribution, sale and rental of material handling equipment, agriculture tractors, engines and construction equipment and parts, provision of after sales services and training
Jentrakel Sdn Bhd	**100.00**	100.00	Malaysia	Rental and sale of industrial machinery and equipment

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Effective ownership and voting interest 2023 %	2022 %	Principal place of business and place of incorporation	Principal activities
Angka-Tan Motor Sdn Bhd	**100.00**	100.00	Malaysia	Assembly, distribution and sale of commercial and passenger vehicles
MUV Solutions Sdn Bhd	**100.00**	100.00	Malaysia	Provision of technology, maintenance and its related services
Tan Chong Apparels Manufacturer Sdn Bhd	**100.00**	100.00	Malaysia	Manufacture of apparels
Warisan TC Automotive Manufacturers (M) Sdn Bhd	**100.00**	100.00	Malaysia	Manufacture and assembly of passenger and commercial vehicles (Inactive)
M A T Tours and Travel (Cambodia) Pte Ltd. *	**100.00**	100.00	Cambodia	Operation of inbound, outbound tours and provision of air ticketing services
Mayflower-My 2nd Home (MM2H) Sdn Bhd	**100.00**	100.00	Malaysia	Provision of migration services
Warisan TC Management Services Sdn Bhd	**100.00**	100.00	Malaysia	Provision of management services
HairBiz College of Hairdressing Professionals Sdn Bhd	**100.00**	100.00	Malaysia	Property investment holding
Belize Holdings Sdn Bhd	**100.00**	100.00	Malaysia	Investment holding
Mayflower (Labuan) Pte Ltd	**100.00**	100.00	Labuan, Malaysia	Investment holding
MAT (Labuan) Pte Ltd	**100.00**	100.00	Labuan, Malaysia	Investment holding
Warisan Captive Incorporated	**100.00**	100.00	Labuan, Malaysia	Captive insurance
MAT Transportation Solution (Myanmar) Company Limited *	**100.00**	100.00	Myanmar	Rental of cars and coaches and trading and marketing of motor vehicles
Tung Pao Sdn Bhd	**100.00**	100.00	Malaysia	Retail sale of any kind of product by direct sales or door-to-door sales persons (Inactive)

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Effective ownership and voting interest 2023 %	2022 %	Principal place of business and place of incorporation	Principal activities
Tan Chong Apparels Sdn Bhd	**100.00**	100.00	Malaysia	Investment holding (Inactive)
Excess Line Sdn Bhd	**100.00**	100.00	Malaysia	Activities of holding companies (Inactive)
TC Machinery Vietnam Pte Ltd *	**100.00**	100.00	Vietnam	Producing and installing generators, compressors, car lifts for repair and light-duty plows; and maintenance and repair of products made by the company (Inactive)
Grooming Expert Sdn Bhd	**100.00**	100.00	Malaysia	Hairdressing and other beauty treatment (Inactive)
Mayflower Holidays (Guangzhou) Co Ltd *	**100.00**	100.00	China	Provision of inbound tours and air ticketing services (Dormant)
Mayflower Logistics Solutions Sdn Bhd	**100.00**	100.00	Malaysia	To carry on the business of freight transport by road and other passenger land transports as well as renting and operational leasing of trucks, utility trailers and recreational vehicles (Dormant)
Warisan Automotif Holdings Sdn Bhd	**100.00**	100.00	Malaysia	Investment holding (Dormant)
ATM (Labuan) Pte Ltd	**100.00**	100.00	Labuan, Malaysia	Investment holding (Dormant)
Mayflower ITravel Sdn Bhd	**100.00**	100.00	Malaysia	Investment holding (Dormant)
Mayflower Holidays (Labuan) Pte Ltd	**100.00**	100.00	Labuan, Malaysia	Investment holding
WTC Automotif (M) Sdn Bhd ("WTCA")	**100.00**	100.00	Malaysia	Assembly, distribution and sale of commercial and passenger vehicles
Gocar Mobility Sdn Bhd ("GOCAR")	**99.64**	99.64	Malaysia	Provision of online and mobile application platforms to fleet owners, fleet maintenance and management, and advertising services
MUV Marketplace Sdn Bhd ("MUVM")	**84.21**	84.21	Malaysia	Provision of used vehicles auction services, vehicle inspection and certification, and trading of used vehicles

Notes to the Financial Statements

For the financial year ended 31 December 2023

8. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiaries	Effective ownership and voting interest 2023 %	2022 %	Principal place of business and place of incorporation	Principal activities
Mayflower Online Sdn Bhd	**100.00**	100.00	Malaysia	Provision of technology, system development and online platform business solutions for travel related business
Comit Communication Technologies (M) Sdn Bhd ("CCT")	**75.50**	75.50	Malaysia	Property investment holding
Kereta Komersil Seladang (M) Sdn Bhd ("KKS")	**70.00**	70.00	Malaysia	Manufacturing, assembly and sale of commercial and passenger vehicles
TCIM Esasia Sdn Bhd	**100.00**	100.00	Malaysia	Manufacture of electric motors, generators and transformers (Inactive)
Mayan Flower Travel and Virtual Tours (Taiwan) Co. Ltd. *	**100.00**	100.00	Taiwan	Operation of inbound, outbound tours and provision of air ticketing services
Mayan Flower Travel & Tours (New Zealand) Limited *	**100.00**	-	New Zealand	Operation of inbound, outbound tours and provision of air ticketing services (Dormant)
Mayan Flower Trading (New Zealand) Limited *	**100.00**	-	New Zealand	General trading (Dormant)

** Not audited by Mazars PLT*

Notes to the Financial Statements

For the financial year ended 31 December 2023

9. INVESTMENTS IN ASSOCIATES

Group	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At 1 January	**2,577**	2,239
Additions	**353**	338
At 31 December	**2,930**	2,577
Share of post-acquisition reserve		
At 1 January	**(2,007)**	(1,742)
Additions	**(71)**	(265)
At 31 December	**(2,078)**	(2,007)
Carrying amount		
At 31 December	**852**	570

(a) The associates are not material to the Group as at the end of the reporting period and therefore the summarised financial information of the associates is not presented.

(b) The details of the associates are as follows:

Name of associates	Effective ownership and voting interest 2023 %	2022 %	Principal place of business and place of incorporation	Principal activities
Mayflower Saha Travel (Thailand) Co., Ltd. * ("MST")	**49.00**	49.00	Thailand	Provision of air ticketing services as well as inbound and outbound tours
Tan Chong Warisan Resources Management LLC * ("TCWRM")	**49.00**	49.00	United States of America ("USA")	Developing and sourcing for business opportunities in USA and Canada, sourcing for new and innovative products, technologies and/or services which can be commercially developed or commercialised and any other business related thereto

** Not audited by Mazars PLT*

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

Group	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At 1 January/31 December	**17,356**	17,356
Share of post-acquisition reserve		
At 1 January	**17,392**	13,404
Additions	**5,534**	3,988
At 31 December	**22,926**	17,392
Carrying amount		
At 31 December	**40,282**	34,748
Company		
Unquoted shares, at cost		
At 1 January/31 December	**24,568**	24,568
Carrying amount		
At 31 December	**24,568**	24,568

(a) The details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Effective ownership and voting interest 2023 %	2022 %	Principal place of business and place of incorporation	Principal activities
Wacoal Malaysia Sdn Bhd ("Wacoal")	**50.00**	50.00	Malaysia	Distribution and sale of ladies under-garments
Shiseido Malaysia Sdn Bhd ("Shiseido") *	**50.00**	50.00	Malaysia	Distribution and sale of cosmetics and consumer products

** Not audited by Mazars PLT*

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (Cont'd)

(b) The summarised financial information of the jointly controlled entities is as follows:

	2023 RM'000	2022 RM'000
(i) Wacoal		
Statement of Financial Position		
Current assets (excluding cash and bank balances)	**32,703**	38,312
Cash and bank balances	**8,567**	3,700
Non-current assets	**13,183**	13,730
Current liabilities	**(9,309)**	(11,371)
Non-current liabilities	**(5,555)**	(6,511)
Statement of Profit or Loss and OCI		
Revenue	**44,357**	48,501
Interest income	**495**	287
Depreciation of property, plant and equipment	**(734)**	(794)
Profit before tax	**5,846**	7,029
Tax expense	**(1,398)**	(1,646)
Total comprehensive income	**4,448**	5,383
(ii) Shiseido		
Statement of Financial Position		
Current assets (excluding cash and bank balances)	**40,055**	67,198
Cash and bank balances	**49,744**	47,057
Non-current assets	**35,909**	29,439
Current liabilities	**(41,723)**	(76,682)
Non-current liabilities	**(28,976)**	(21,342)
Statement of Profit or Loss and OCI		
Revenue	**101,930**	112,606
Interest income	**537**	200
Depreciation of property, plant and equipment	**(3,300)**	(3,737)
Profit before tax	**12,121**	5,030
Tax expense	**(2,782)**	(1,336)
OCI	**-**	18
Total comprehensive income	**9,339**	3,712

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (Cont'd)

(iii) The reconciliation of net assets to carrying amount is as follows:

Group	2023 RM'000	2022 RM'000
Group's share of net assets	**47,299**	41,765
Elimination of unrealised profits	**(7,017)**	(7,017)
Carrying amount in consolidated statement of financial position	**40,282**	34,748
Group's share of profit for the financial year	**6,894**	4,539
Group's share of OCI for the financial year	**-**	9

(iv) During the financial year, the cash dividend received amounted to RM1,360,000 (2022: RM560,000).

11. INTANGIBLE ASSETS

Group	Goodwill RM'000	Software and applications RM'000	Total RM'000
Cost			
At 1 January 2022	9,131	3,744	12,875
Additions	-	640	640
Written off	-	(868)	(868)
At 31 December 2022	9,131	3,516	12,647
Additions	-	827	827
At 31 December 2023	9,131	4,343	13,474

Notes to the Financial Statements

For the financial year ended 31 December 2023

11. INTANGIBLE ASSETS (Cont'd)

Group	Goodwill RM'000	Software and applications RM'000	Total RM'000
Accumulated amortisation			
At 1 January 2022	-	2,160	2,160
Charge for the financial year	-	205	205
Written off	-	(585)	(585)
At 31 December 2022	-	1,780	1,780
Charge for the financial year	-	557	557
At 31 December 2023	-	2,337	2,337
Carrying amount			
At 31 December 2022	9,131	1,736	10,867
At 31 December 2023	**9,131**	**2,006**	**11,137**

For impairment testing purpose, carrying amount of goodwill is allocated to the following cash-generating units ("CGUs"):

Group	2023 RM'000	2022 RM'000
MCTS	**8,431**	8,431
KKS	**700**	700
	9,131	9,131

The recoverable amounts of CGUs are determined based on a value in use calculation, using cash flows projection from financial budgets approved by the Group covering a five-year period. The pre-tax discount rates applied to the cash flows projection are 12.00% and 12.30% (2022: 12.00% and 12.30%). The growth rate used to extrapolate the cash flows projection beyond the five-year period is 5.00% (2022: 5.00%). This growth rate is consistent with the relevant industries' average growth rate. The recoverable amounts of the CGUs exceeded their carrying amounts at the reporting date and therefore the Group did not identify an impairment for the CGUs.

All the above key assumptions are based on the Group's knowledge in the respective industries and historical information. In assessing the value in use, the Group is of the view that no reasonable foreseeable changes in any of the above key assumptions are expected to cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

Notes to the Financial Statements

For the financial year ended 31 December 2023

12. DEFERRED TAX ASSET/(LIABILITIY)

	Asset		Liability		Total	
Group	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Property, plant and equipment	**-**	-	**(19,048)**	(17,353)	**(19,048)**	(17,353)
Investment property	**-**	-	**(564)**	(564)	**(564)**	(564)
Retirement benefits obligation	**-**	-	**(542)**	(663)	**(542)**	(663)
Tax losses	**2,829**	2,836	**-**	-	**2,829**	2,836
Right-of-use assets	**-**	-	**(1,016)**	(1,455)	**(1,016)**	(1,455)
Lease liabilities	**1,040**	1,496	**-**	-	**1,040**	1,496
Contract liabilities	**2,537**	2,717	**-**	-	**2,537**	2,717
Allowances for doubtful debts	**1,725**	2,034	**-**	-	**1,725**	2,034
Others	**1,278**	1,006	**-**	-	**1,278**	1,006
Deferred tax asset/(liability)	**9,409**	10,089	**(21,170)**	(20,035)	**(11,761)**	(9,946)
Offsetting	**(2,929)**	(4,873)	**2,929**	4,873	**-**	-
Net deferred tax asset/(liability)	**6,480**	5,216	**(18,241)**	(15,162)	**(11,761)**	(9,946)
Company						
Retirement benefits obligation	**105**	146	**-**	-	**105**	146
Other items	**103**	217	**-**	-	**103**	217
Deferred tax asset	**208**	363	**-**	-	**208**	363

Notes to the Financial Statements

For the financial year ended 31 December 2023

12. DEFERRED TAX ASSET/(LIABILITIY) (Cont'd)

The movements of deferred tax are as follows:

Group	At 1 January RM'000	Recognised in profit or loss RM'000	Recognised in OCI RM'000	At 31 December RM'000
2023				
Property, plant and equipment	**(17,353)**	**2,078**	**(3,773)**	**(19,048)**
Investment property	**(564)**	**-**	**-**	**(564)**
Retirement benefits obligation	**(663)**	**336**	**(215)**	**(542)**
Tax losses	**2,836**	**(7)**	**-**	**2,829**
Right-of-use assets	**(1,455)**	**439**	**-**	**(1,016)**
Lease liabilities	**1,496**	**(456)**	**-**	**1,040**
Contract liabilities	**2,717**	**(180)**	**-**	**2,537**
Allowances for doubtful debts	**2,034**	**(309)**	**-**	**1,725**
Others	**1,006**	**324**	**(52)**	**1,278**
	(9,946)	**2,225**	**(4,040)**	**(11,761)**
2022				
Property, plant and equipment	(18,121)	768	-	(17,353)
Investment property	(574)	10	-	(564)
Retirement benefits obligation	513	(1)	(1,175)	(663)
Tax losses	2,847	(11)	-	2,836
Right-of-use assets	(1,455)	-	-	(1,455)
Lease liabilities	1,496	-	-	1,496
Contract liabilities	2,507	210	-	2,717
Allowances for doubtful debts	1,896	138	-	2,034
Others	1,077	(161)	90	1,006
	(9,814)	953	(1,085)	(9,946)

Notes to the Financial Statements

For the financial year ended 31 December 2023

12. DEFERRED TAX ASSET/(LIABILITIY) (Cont'd)

Company	At 1 January RM'000	Recognised in profit or loss RM'000	Recognised in OCI RM'000	At 31 December RM'000
2023				
Retirement benefits obligation	**146**	**-**	**(41)**	**105**
Others	**217**	**(114)**	**-**	**103**
	363	**(114)**	**(41)**	**208**
2022				
Retirement benefits obligation	234	-	(88)	146
Others	141	76	-	217
	375	76	(88)	363

Although the Group suffered a loss in the current financial year, the Group recognised deferred tax asset amounted to RM2,829,000 (2022: RM2,836,000) in respect of tax losses at the reporting date. The Group considered it is probable that future taxable profits will be available against which the tax losses can be utilised.

No deferred tax asset is recognised in respect of the following items:

Group	2023 RM'000	2022 RM'000
Unutilised tax losses	**108,721**	103,484
Unabsorbed capital allowances	**10,192**	9,445
Others	**6,483**	5,186
	125,396	118,115

Pursuant to the applicable tax legislation, unutilised tax losses will expire as follows:

Group	2023 RM'000	2022 RM'000
Expired in 2028	**37,177**	44,387
Expired in 2029	**8,418**	9,692
Expired in 2030	**18,911**	18,911
Expired in 2031	**15,777**	15,777
Expired in 2032	**14,666**	14,717
Expired in 2033	**13,772**	-
	108,721	103,484

Notes to the Financial Statements

For the financial year ended 31 December 2023

13. FINANCE LEASE RECEIVABLES

Group	2023 RM'000	2022 RM'000
Finance lease instalments receivable:		
- not later than one year	**4,529**	5,425
- later than one year but not later than five years	**128**	672
	4,657	6,097
Unexpired term charges	**(140)**	(196)
Outstanding principal receivable	**4,517**	5,901
Outstanding principal receivable not later than one year	**(4,392)**	(5,238)
Outstanding principal receivable later than one year but not later than five years	**125**	663

The effective interest rates ranging from 4.00% to 6.00% (2022: 4.00% to 6.00%) per annum depending on the amount financed and the tenure of the lease.

14. OTHER INVESTMENTS

Group	2023 RM'000	2022 RM'000
Equity instruments (unquoted shares) designated at FVTOCI		
At 1 January	**456**	186
Additions	**5,676**	270
At 31 December	**6,132**	456

15. INVENTORIES

Group	2023 RM'000	2022 RM'000
Raw materials	**622**	681
Work-in-progress	**95**	182
Equipment and machinery	**64,599**	49,448
Trading goods	**1,003**	967
Spare parts and workshop	**18,287**	19,978
Commercial and passenger vehicles	**24,655**	15,722
Complete knock down kits and accessories	**39,574**	41,652
	148,835	128,630

(a) Inventories of RM352,497,000 (2022: RM390,638,000) were recognised as an expense during the financial year and included in cost of sales.

(b) Inventories written down to net realisable value amounted to RM1,614,000 (2022: RM1,221,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023

16. TRADE AND OTHER RECEIVABLES

Group	2023 RM'000	2022 RM'000
Receivables from Contracts with Customers		
Third parties	**117,088**	92,703
Related parties (a)	**9,008**	12,031
	126,096	104,734
Allowance for doubtful debts (b)	**(7,189)**	(8,473)
	118,907	96,261
Other Trade Receivables		
Finance lease receivables	**4,392**	5,238
Total trade receivables	**123,299**	101,499
Other Receivables		
Third parties	**9,847**	8,964
Related parties (a)	**327**	688
	10,174	9,652
Allowance for doubtful debts (c)	**(4,060)**	(4,060)
	6,114	5,592
Deposits	**2,717**	4,335
Prepayments	**16,193**	13,715
	148,323	125,141

Notes to the Financial Statements

For the financial year ended 31 December 2023

16. TRADE AND OTHER RECEIVABLES (Cont'd)

Company	2023 RM'000	2022 RM'000
Other Receivables		
Subsidiaries (d)	**8,173**	7,182
Related parties (a)	**1**	2
	8,174	7,184
Allowance for doubtful debts (c)	**(1,157)**	-
	7,017	7,184
Deposits	**14**	14
Prepayments	**12**	14
	7,043	7,212

(a) The trade balances are subject to normal credit term, unsecured, non-interest bearing and expected to be settled in cash. Whereas, the non-trade balances are unsecured, non-interest bearing, receivable on demand and expected to be settled in cash.

(b) The Group applies simplified approach (i.e. lifetime ECL) in measuring the loss allowance for trade receivables. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There have been no significant changes in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The movements in allowance for doubtful debts for trade receivables are as follows:

Group	2023 RM'000	2022 RM'000
At 1 January	**8,473**	7,902
Allowance	**204**	1,056
Reversal	**(1,488)**	(480)
Written off	**-**	(5)
At 31 December	**7,189**	8,473

Notes to the Financial Statements

For the financial year ended 31 December 2023

16. TRADE AND OTHER RECEIVABLES (Cont'd)

The risk profile and ageing analysis of trade receivables are as follows:

Group	Gross carrying amount RM'000	Allowance for doubtful debts RM'000
2023		
Not past due	**52,534**	**-**
1 to 30 days past due	**21,730**	**-**
31 to 120 days past due	**17,119**	**-**
Over 120 days past due	**32,041**	**-**
Individual impairment	**7,189**	**7,189**
	130,613	**7,189**
2022		
Not past due	50,565	-
1 to 30 days past due	14,330	-
31 to 120 days past due	19,387	-
Over 120 days past due	17,880	-
Individual impairment	8,473	8,473
	110,635	8,473

(c) The movements in allowance for doubtful debts for other receivables are as follows:

Group	2023 RM'000	2022 RM'000
At 1 January	**4,060**	-
Allowance	**-**	4,060
At 31 December	**4,060**	4,060
Company		
At 1 January	**-**	-
Allowance	**1,157**	-
At 31 December	**1,157**	-

(d) The balances are non-trade in nature, unsecured, non-interest bearing, receivable on demand and expected to be settled in cash. The movements in allowance for doubtful debts for amounts owing by subsidiaries are disclosed in (c) above.

Notes to the Financial Statements

For the financial year ended 31 December 2023

17. SHARE CAPITAL

Group and Company	2023 RM'000	2022 RM'000
Issued and fully paid up:		
67,200,000 ordinary shares		
At 1 January/31 December	**67,200**	67,200

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

18. TREASURY SHARES

	Number of shares		At cost	
Group and Company	2023 '000	2022 '000	2023 RM'000	2022 RM'000
At 1 January/31 December	**2,099**	2,099	**4,213**	4,213

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

At the Annual General Meeting held virtually on 2 June 2023, the shareholders of the Company had granted mandate to the Company to purchase its own shares. During the financial year, the Company did not repurchase its own shares and none of the existing treasury shares held was cancelled, sold or used for such other purposes permitted under the Companies Act 2016.

19. RESERVES

(a) Merger reserve

Merger reserve arose from those subsidiaries which are consolidated on the merger method of accounting.

(b) 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.

(c) Hedging reserve

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

(d) Revaluation reserve

(i) Revaluation reserve relates to the revaluation of property, plant and equipment and right-of-use assets immediately prior to their reclassification as investment property; and

(ii) The revaluation reserve is used to record changes in fair value of land and buildings measured under the revaluation model.

Notes to the Financial Statements

For the financial year ended 31 December 2023

20. BORROWINGS

Group	2023 RM'000	2022 RM'000
Non-current		
Bank term loans (a)	**340**	1,000
Hire purchases (b)	**4,671**	2,504
Total non-current portion	**5,011**	3,504
Current		
Bank term loans (a)	**706**	845
Hire purchases (b)	**4,235**	3,282
Bankers' acceptances (c)	**70,525**	42,116
Revolving credits (d)	**177,983**	180,528
Bank overdrafts (e)	**1,198**	920
Total current portion	**254,647**	227,691
Total	**259,658**	231,195

(a) (i) The repayment terms of bank term loans are as follows:

	2023 RM'000	2022 RM'000
Not later than one year	**706**	845
Later than one year but not later than five years	**340**	1,000
	1,046	1,845

(ii) The bank term loans are unsecured and bear interest rate of 13.00% (2022: 13.00%) per annum.

Notes to the Financial Statements

For the financial year ended 31 December 2023

20. BORROWINGS (Cont'd)

(b) (i) The repayment terms of hire purchases are as follows:

Group	Future minimum hire purchases RM'000	Future finance charges RM'000	Present value of minimum hire purchases RM'000
2023			
Not later than one year	**4,640**	**(405)**	**4,235**
Later than one year but not later than five years	**4,909**	**(238)**	**4,671**
	9,549	**(643)**	**8,906**
2022			
Not later than one year	3,489	(207)	3,282
Later than one year but not later than five years	2,582	(78)	2,504
	6,071	(285)	5,786

(ii) The hire purchases are secured and bear flat interest rates ranging from 2.28% to 4.77% (2022: 2.28% to 3.42%) per annum.

(c) The bankers' acceptances are unsecured and bear effective interest rates ranging from 3.63% to 4.89% (2022: 2.49% to 4.46%) per annum.

(d) Revolving credits are unsecured and bear effective interest rates ranging from 2.87% to 5.06% (2022: 2.06% to 4.80%) per annum.

(e) Bank overdrafts are unsecured and bear effective interest rates ranging from 7.07% to 7.32% (2022: 6.07% to 7.07%) per annum.

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. RETIREMENT BENEFITS OBLIGATION

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

The movements are as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
At 1 January	**8,313**	12,071	**1,516**	1,882
Included in profit or loss				
Current services cost	**820**	1,083	**118**	-
Interest costs	**369**	414	**69**	-
	1,189	1,497	**187**	-
Included in OCI				
Actuarial gain	**(897)**	(4,897)	**(170)**	(366)
Others				
Benefits paid	**(176)**	(358)	**-**	-
At 31 December	**8,429**	8,313	**1,533**	1,516

The principal actuarial assumptions used in respect of the retirement benefits obligation were as follows:

Group and Company	**2023**	**2022**
Discount rate	**4.78% to 5.17%**	4.78% to 5.17%
Salary rate	**5.50%**	5.50%

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. RETIREMENT BENEFITS OBLIGATION (Cont'd)

Reasonably possible change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the retirement benefits obligation by the amounts shown below:

	2023		2022	
Group	**Increase RM'000**	**Decrease RM'000**	**Increase RM'000**	**Decrease RM'000**
Discount rate (1.00% movement)	**(564)**	**638**	(550)	623
Salary rate (1.00% movement)	**369**	**(339)**	309	(284)
Company				
Discount rate (1.00% movement)	**(75)**	**82**	(78)	85
Salary rate (1.00% movement)	**14**	**(13)**	12	(12)

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

22. CONTRACT LIABILITIES

Group	**2023 RM'000**	**2022 RM'000**
Consideration received in advance (a)	**6,698**	7,224
Maintenance services (b)	**3,873**	4,097
	10,571	11,321

(a) The movements in consideration received in advance are as follows:

Group	**2023 RM'000**	**2022 RM'000**
At 1 January	**7,224**	6,962
Revenue recognised that was included in the contract liabilities brought forward	**(7,224)**	(6,962)
Consideration received in the current financial year	**6,698**	7,224
At 31 December	**6,698**	7,224

(b) Revenue relating to maintenance services is recognised over time, while the customers pay up-front in full. A contract liability is recognised upon collection of transaction price and being recognised as revenue over the service period.

Notes to the Financial Statements

For the financial year ended 31 December 2023

23. TRADE AND OTHER PAYABLES

Group	2023 RM'000	2022 RM'000
Trade Payables		
Third parties	**46,177**	31,033
Related parties (a)	**32,317**	32,579
	78,494	63,612
Other Payables		
Third parties	**13,195**	9,596
Related parties (a)	**21,803**	15,571
	34,998	25,167
Deposits received	**14,747**	14,711
Accruals	**27,961**	20,185
	156,200	123,675
Company		
Non-current		
Subsidiaries (b)	**2,738**	5,189
Current		
Other Payables		
Third parties	**449**	395
Related parties (a)	**227**	228
Subsidiaries (b)	**5,108**	4,988
	5,784	5,611
Accruals	**40**	42
	5,824	5,653

(a) The trade balances are subject to normal credit term, unsecured, non-interest bearing and expected to be settled in cash. Whereas, the non-trade balances are unsecured, non-interest bearing, repayable on demand and expected to be settled in cash.

(b) The non-trade balances are unsecured, non-interest bearing, repayable on demand and expected to be settled in cash except for an amount of RM2,738,000 (2022: RM5,189,000) is not repayable within the next twelve months and which subject to interest rate at 3.00% (2022: 3.00%) per annum.

Notes to the Financial Statements

For the financial year ended 31 December 2023

24. DERIVATIVE FINANCIAL ASSET/(LIABILITY)

Forward exchange 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.

	2023			2022		
Group	**Nominal value RM'000**	**Asset RM'000**	**Liability RM'000**	**Nominal value RM'000**	**Asset RM'000**	**Liability RM'000**
Forward exchange contracts	**71,725**	**9**	**(499)**	40,745	263	(972)

25. REVENUE

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue from contracts with customers (a)	**314,392**	365,246	**-**	-
Revenue from other sources (b)	**140,800**	115,178	**10,963**	5,789
	455,192	480,424	**10,963**	5,789

(a) The timing of revenue recognition from contracts with customers is summarised as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
At a point in time	**286,573**	340,921	**-**	-
Over time	**27,819**	24,325	**-**	-
	314,392	365,246	**-**	-

(b) The breakdown of revenue from other resources is as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Dividend income	**-**	-	**10,963**	5,789
Insurance premium income	**3,647**	3,428	**-**	-
Lease income	**137,153**	111,750	**-**	-
	140,800	115,178	**10,963**	5,789

Notes to the Financial Statements

For the financial year ended 31 December 2023

26. FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income from fixed deposits	**2,271**	1,039	**81**	40
Interest income from short term deposits	**41**	59	**-**	-
	2,312	1,098	**81**	40

27. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bank term loans	**2,139**	1,944	**-**	-
Bankers' acceptances	**1,881**	1,149	**-**	-
Revolving credits	**5,939**	3,645	**-**	-
Hire purchases	**344**	412	**-**	-
Leases	**238**	302	**-**	-
Others	**95**	79	**248**	253
	10,636	7,531	**248**	253

Notes to the Financial Statements

For the financial year ended 31 December 2023

28. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit/(Loss) before tax is stated after charging/(crediting):				
Allowances for doubtful debts	**204**	5,116	**1,157**	-
Amortisation of intangible assets	**557**	205	**-**	-
Auditors' remuneration				
- statutory audit:				
- Mazars PLT	**407**	385	**42**	39
- Other auditors	**43**	34	**-**	-
- Other assurance and related services:				
- Mazars PLT and affiliates	**137**	130	**9**	10
- Other auditors	**66**	87	**-**	-
Bad debts written off	**177**	49	**-**	-
Depreciation of property, plant and equipment	**35,853**	38,008	**1**	2
Depreciation of right-of-use assets	**4,187**	4,848	**-**	-
Gain on disposal of assets held for rental	**(8,397)**	(7,274)	**-**	-
Gain on disposal of property, plant and equipment	**(135)**	(200)	**-**	-
Intangible assets written off	**-**	283	**-**	-
Net realised loss/(gain) on foreign exchange	**122**	(132)	**-**	-
Net unrealised gain on foreign exchange	**(179)**	(222)	**-**	-
Property, plant and equipment written off	**109**	21	**-**	-
Retirement benefits expense	**1,189**	1,497	**187**	-
Reversal of allowance for doubtful debts	**(1,488)**	(480)	**-**	-
Short term leases	**705**	647	**-**	-

Notes to the Financial Statements

For the financial year ended 31 December 2023

29. TAX EXPENSE/(INCOME)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax				
- current financial year	**6,458**	3,967	**-**	-
- overprovision in previous financial year	**(362)**	(1,898)	**-**	-
Total current tax	**6,096**	2,069	**-**	-
Deferred tax				
- current financial year	**(3,019)**	(544)	**114**	-
- under/(over)provision in previous financial year	**794**	(409)	**-**	(76)
Total deferred tax	**(2,225)**	(953)	**114**	(76)
Total tax expense/(income)	**3,871**	1,116	**114**	(76)

The corporate income tax rate (the "applicable tax rate") in Malaysia is 24.00% (2022: 24.00%). Taxation for other jurisdictions is determined at the tax rate prevailing in the respective jurisdictions.

The difference between tax expense/(income) and the amount of tax determined by multiplying the profit/(loss) before tax to the applicable tax rate, is analysed as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before tax	**1,440**	(11,394)	**(19,376)**	1,905
Tax calculated at the applicable tax rate	**346**	(2,735)	**(4,650)**	457
Non-taxable income	**(2,448)**	(1,977)	**(2,631)**	(1,399)
Non-deductible expenses	**4,001**	5,489	**7,395**	942
Deferred tax asset previously not recognised	**1,747**	2,907	**-**	-
Difference in tax rates of other jurisdictions	**(207)**	(261)	**-**	-
Under/(Over)provision in previous financial year	**432**	(2,307)	**-**	(76)
	3,871	1,116	**114**	(76)

Retained earnings of the Company are available for distributions by way of dividends. Under the single tier tax system, income tax on the Company's profit is a final tax in Malaysia, and any dividends distributed are not subject to income tax in the hands of the shareholders.

The Finance (No.2) Bill 2023 passed by the Parliament of Malaysia on 28 November 2023, introduces domestic top-up tax and multinational top-up tax (the "Pillar Two income tax") effective from 1 January 2025. The Group is in the process of assessing its exposure to the Pillar Two income tax legislation for when it comes into effect.

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is calculated by dividing the Group's loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Group	**2023**	**2022**
Loss for the financial year attributable to owners of the Company (RM'000)	(1,769)	(11,535)
Weighted average number of ordinary shares outstanding ('000)		
At 1 January/31 December	65,101	65,101
Basic and diluted loss per share (sen)	(3)	(18)

Basic and diluted loss per share are equal as the Company does not have any potential dilutive ordinary shares outstanding as at the end of the reporting period.

31. EMPLOYEE INFORMATION

	Group		**Company**	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Short term benefits	**67,812**	62,826	**2,770**	2,496
Defined contribution plan	**7,275**	6,060	**351**	211
Retirement benefits expense	**1,847**	1,956	**-**	-
	76,934	70,842	**3,121**	2,707

32. RELATED PARTY TRANSACTIONS

Other than those related party transactions and outstanding balances disclosed elsewhere in the financial statements, the significant related party transactions are disclosed below:

(a) Subsidiaries

Company	**2023 RM'000**	**2022 RM'000**
Management fee paid/payable	**656**	604
Finance costs	**248**	253

Notes to the Financial Statements

For the financial year ended 31 December 2023

32. RELATED PARTY TRANSACTIONS (Cont'd)

(b) 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:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
With TCMH group				
Sales	**49,047**	51,310	**-**	-
Travel agency, car rental, rental income and workshop services	**8,637**	6,052	**-**	-
Administrative and Information Technology ("IT") services	**10,884**	4,116	**-**	-
Assembly services and royalty fee	**8,058**	11,470	**-**	-
Insurance agency services	**5,471**	4,910	**44**	46
Lease payments	**1,219**	1,441	**-**	-
Purchases	**23,425**	61,049	**-**	-
Workshop services	**2,946**	2,966	**-**	-
With APM group				
Sales	**452**	614	**-**	-
Travel agency, car rental, rental income and workshop services	**3,071**	1,956	**-**	-
Lease payments	**516**	516	**-**	-
Purchases	**228**	693	**-**	-

Notes to the Financial Statements

For the financial year ended 31 December 2023

32. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Directors

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(i) Non-executive directors				
Fees	**307**	259	**307**	259
Other short term benefits	**73**	83	**73**	83
	380	342	**380**	342
(ii) Executive directors				
Remuneration	**4,856**	5,054	**1,847**	1,918
Other short term benefits	**34**	43	**-**	-
Defined contribution plan	**694**	575	**351**	211
Post employment benefits	**605**	294	**543**	236
	6,189	5,966	**2,741**	2,365
Total	**6,569**	6,308	**3,121**	2,707

(d) Other key management personnel

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Remuneration	**1,524**	1,033	**-**	-
Other short term benefits	**22**	18	**-**	-
Defined contribution plan	**164**	108	**-**	-
Post employment benefits	**53**	29	**-**	-
	1,763	1,188	**-**	-

33. COMMITMENTS

Group	2023 RM'000	2022 RM'000
Approved and contracted capital expenditure for property, plant and equipment but not provided for in the financial statements	**22,445**	9,023

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL INSTRUMENTS

(a) Classification

Group	2023 RM'000	2022 RM'000
(i) Financial assets at amortised cost		
Trade and other receivables	**132,255**	112,089
Fixed deposits	**30,542**	37,163
Cash and bank balances	**48,498**	43,926
	211,295	193,178
(ii) Financial assets at FVTPL		
Derivative financial asset	**9**	263
Short term deposits	**8,603**	2,749
	8,612	3,012
(iii) Financial asset at FVTOCI		
Other investments	**6,132**	456
Company		
(i) Financial assets at amortised cost		
Other receivables	**7,031**	7,198
Cash and bank balances	**3,755**	4,984
	10,786	12,182
Group		
(i) Financial liabilities at amortised cost		
Trade and other payables	**156,200**	123,675
Borrowings	**259,658**	231,195
	415,858	354,870
(ii) Financial liability at FVTPL		
Derivative financial liability	**499**	972
Company		
(i) Financial liability at amortised cost		
Other payables	**8,562**	10,842

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

(b) Fair value

For derivatives, the fair value is 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. For non-derivative, the fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest as at the end of the reporting period.

The Group and the Company assessed that the fair values of all other financial assets and financial liabilities as at the end of the reporting period approximate their carrying amounts mainly due to their short term maturities or their interest-bearing nature (where their interest rates are at/approximate the market rates applicable to those financial instruments).

There is no transfer between Level 1 and Level 2 during the financial year (2022: no transfer in either direction).

35. FINANCIAL RISK MANAGEMENT

The Group's and the Company's business activities are exposed to a variety of financial risks. The board of directors sets policies, manages and monitors the financial risks relating to the operations of the Group and of the Company. The Group and the Company seek to mitigate the potential adverse effects arising from these risks on the financial position and financial performance of the Group and of the Company. The overall financial risk management is consistent with the previous financial years. There have been no significant changes in the Group's and the Company's exposure to financial risks or the manner in which these risks are managed and measured.

(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 receivables. For other financial assets, 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 which are disclosed in the respective note.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to the increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all parties who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are regularly monitored by the Group and the Company.

As at the end of reporting period, the Group and the Company did not have any significant exposure to any individual receivable or counter party or any major concentration of credit risk related to any financial asset.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from payables and borrowings.

The Group and the Company maintain a level of cash and bank balances and credit facilities available to meet their liquidity requirements while ensuring effective working capital management within the Group and the Company. At the reporting date, the Group has unused credit facilities amounted to approximately RM106,000,000 (2022: RM121,000,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2023			
Trade and other payables	**156,200**	**-**	**156,200**
Borrowings	**254,647**	**15,706**	**270,353**
Derivative financial liability	**499**	**-**	**499**
	411,346	**15,706**	**427,052**
Lease liabilities	**3,076**	**2,042**	**5,118**
	414,422	**17,748**	**432,170**
2022			
Trade and other payables	123,675	-	123,675
Borrowings	227,691	13,224	240,915
Derivative financial liability	972	-	972
	352,338	13,224	365,562
Lease liabilities	3,320	4,417	7,737
	355,658	17,641	373,299
Company			
2023			
Other payables	**5,824**	**3,978**	**9,802**
2022			
Other payables	5,653	6,454	12,107

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Interest rate risk

The Group and the Company are 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 is primarily related to the Group's interest-bearing borrowings, short term deposits and fixed deposits. The carrying amounts of these financial instruments are disclosed in the respective note.

The Group's and the Company's policy are 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.

Sensitivity analysis for interest rate risk

Group

If interest rates increase or decrease by 10.00% with all other variables held constant, the Group's profit/(loss) before tax would decrease/increase or increase/decrease by approximately RM22,000,000 (2022: RM19,000,000). The Group's exposure to interest rate risk does not have any impact to other equity.

Company

If interest rates increase or decrease by 10.00% with all other variables held constant, the Company's (loss)/profit before tax would increase/decrease or decrease/increase by approximately RM274,000 (2022: RM519,000). The Company's exposure to interest rate risk does not have any impact to other equity.

The sensitivity analysis is unrepresentative of the inherent interest rate risk as a financial year end exposure does not reflect the exposure during the corresponding financial year.

(d) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk on sales, purchases as well as cash and bank balances that are denominated in a currency other than RM. The major currencies giving rise to this risk are primarily United States Dollar ("USD") and Chinese Renminbi ("CNY").

The Group hedges part of its foreign currency denominated trade receivables and trade payables. At any point in time the Group also hedges part of its estimated foreign currency exposure in respect of the forecast sales and purchases over the following six months. The Group uses forward exchange contracts to hedge its foreign currency exchange 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 exchange risk, based on carrying amounts as at the end of the reporting period, is as follows:

Group

	Denominated in	
In RM'000	**USD**	**CNY**
2023		
Trade receivables	**201**	**124**
Trade payables	**(695)**	**-**
Cash and bank balances	**7,081**	**18**
Net exposure	**6,587**	**142**

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Foreign currency exchange risk (Cont'd)

Group

In RM'000	Denominated in USD	Denominated in CNY
2022		
Trade receivables	1,832	237
Trade payables	(505)	-
Cash and bank balances	15,866	15
Net exposure	17,193	252

Sensitivity analysis for foreign currency exchange risk

A sensitivity analysis has been performed on the outstanding foreign currency receivables, payables as well as cash and bank balances of the Group as at the end of the reporting period.

A 10.00% strengthening or weakening of the abovementioned foreign currencies against RM as at the end of the reporting period would increase/decrease or decrease/increase profit/(loss) before tax by approximately RM673,000 (2022: RM1,745,000), with all other variables remaining constant.

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and to safeguard the Group's ability to continue as a going concern, so as to maintain investors', creditors' and markets' 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 objective and strategy for capital management have not changed significantly since the previous financial year.

The gearing ratios are as follows:

Group	2023 RM'000	2022 RM'000
Borrowings	**259,658**	231,195
Lease liabilities	**4,334**	6,233
Less: Short term deposits	**(8,603)**	(2,749)
Fixed deposits	**(30,542)**	(37,163)
Cash and bank balances	**(48,498)**	(43,926)
Net debt	**176,349**	153,590
Total equity attributable to owners of the Company	**245,567**	234,116
Gearing ratio	**71.81%**	65.60%

Notes to the Financial Statements

For the financial year ended 31 December 2023

37. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Automotive		Others		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Segment profit/(loss)	**20,976**	22,723	**31,371**	22,599	**(2,781)**	(6,312)	**4,027**	2,217	**53,593**	41,227
Included in the measure of segment profit/(loss)										
Revenue from external customers	**175,406**	205,651	**110,496**	83,532	**162,046**	184,350	**7,244**	6,891	**455,192**	480,424
Inventories written down	**(1,441)**	(935)	**-**	-	**(150)**	(118)	**(23)**	(168)	**(1,614)**	(1,221)
Share of results of equity accounted associates	**-**	-	**-**	-	**-**	-	**(71)**	(265)	**(71)**	(265)
Share of results of equity accounted jointly controlled entities	**-**	-	**-**	-	**-**	-	**6,894**	4,539	**6,894**	4,539
Not included in the measure of segment profit/(loss) but provided to Chief Operating Decision Makers										
Depreciation and amortisation	**(13,624)**	(15,367)	**(23,190)**	(24,144)	**(2,721)**	(3,088)	**(800)**	(200)	**(40,335)**	(42,799)
Finance costs	**(5,204)**	(3,210)	**(3,661)**	(3,060)	**(1,600)**	(1,247)	**(168)**	(9)	**(10,633)**	(7,526)
Finance income	**912**	391	**691**	306	**6**	10	**630**	312	**2,239**	1,019
Tax (expense)/income	**(2,283)**	(1,948)	**(859)**	1,174	**(85)**	2	**(644)**	(344)	**(3,871)**	(1,116)
Segment assets	**266,432**	236,735	**190,020**	182,590	**143,036**	107,611	**79,603**	85,074	**679,091**	612,010
Included in the measure of segment assets										
Additions to non-current assets other than financial instruments and deferred tax	**14,775**	15,793	**24,209**	23,121	**11,268**	892	**8**	73	**50,260**	39,879

Notes to the Financial Statements

For the financial year ended 31 December 2023

37. SEGMENTAL ANALYSIS (Cont'd)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities as well as other material items:

	2023 RM'000	2022 RM'000
Total profit for reportable segments	**53,593**	41,227
Depreciation and amortisation	**(40,597)**	(43,061)
Finance costs	**(10,636)**	(7,531)
Finance income	**2,312**	1,098
Non-reportable segment expenses	**(3,232)**	(3,127)
Profit/(Loss) before tax	**1,440**	(11,394)

	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
2023						
Total reportable segments	**455,192**	**(40,335)**	**(10,633)**	**2,239**	**679,091**	**50,260**
Other non-reportable segments	**-**	**(262)**	**(3)**	**73**	**5,582**	**41**
Share of assets from equity accounted associates and jointly controlled entities	**-**	**-**	**-**	**-**	**41,134**	**-**
	455,192	**(40,597)**	**(10,636)**	**2,312**	**725,807**	**50,301**
2022						
Total reportable segments	480,424	(42,799)	(7,526)	1,019	612,010	39,879
Other non-reportable segments	-	(262)	(5)	79	6,944	256
Share of assets from equity accounted associates and jointly controlled entities	-	-	-	-	35,318	-
	480,424	(43,061)	(7,531)	1,098	654,272	40,135

Notes to the Financial Statements

For the financial year ended 31 December 2023

38. EVENTS AFTER THE REPORTING PERIOD

(a) WTCA, a wholly-owned subsidiary of the Company, had on 11 January 2024 entered into an Agreement of Distribution and Service with GAC AION New Energy Automobile Company Limited ("GAC AION") in respect of the appointment of WTCA by GAC AION as the sole and exclusive distributor to import, distribute, sales and perform after-sale services on the electric vehicles ("Vehicles") and/or spare parts and accessories for the Vehicles in Malaysia (the "GAC AION Project"). The GAC AION Project will provide an opportunity for the Group to diversify its business activities by expanding the product range to electric vehicles sector to cater for diversified customer base. It will also align with the Group's objective to drive towards Economy, Environmental, Social and Governance for the long-term sustainable growth of the Group's businesses. This will also broaden the earning base of the Group. As the Group is involved in assembly, distribution and sale of commercial and passenger vehicles, it will be able to enjoy the benefits and advantages of the synergistic benefits derived from economies of scale with the implementation of the GAC AION Project.

(b) WTCA, a wholly-owned subsidiary of the Company, had on 30 March 2024 entered into a Memorandum of Understanding with GAC Motor International Limited to conduct a feasibility study of complete knocked-down ("CKD") form production of the right-hand drive EMKOO model (A58-G) in Malaysia and CKD production of the left-hand drive GS3 EMZOOM model (A79-G) in Malaysia and export to Vietnam (the "Project"). The feasibility study of the Project will provide the Group an opportunity to achieve the economies of scale by maximising its investment value of the existing infrastructure, resources, human skillsets and plant facilities following the mass production of CKD models. It will also provide an opportunity for the Group to enter into international automotive market and to accelerate the pace of market penetration in Malaysia with different vehicle models which in turns will benefit the Group in the revenue enhancement and long-term sustainable growth of the Group's businesses.

39. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 3 April 2024.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting ("27th AGM") of WARISAN TC HOLDINGS BERHAD ("WTCH" or "Company") will be held virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 30 May 2024 at 10:30 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors who retire by rotation and being eligible, have offered themselves for re-election, in accordance with Article 98 of the Company's Constitution, as Directors of the Company:

   (i) Datuk Abdullah bin Abdul Wahab; and **Ordinary Resolution 1**

   (ii) Ms. Soh Eng Hooi. **Ordinary Resolution 2**

3. To approve the payment of Directors' fees of up to an amount of RM480,000 in aggregate to the Non-Executive Directors of the Company during the course of the period from 31 May 2024 until the next Annual General Meeting of the Company. **Ordinary Resolution 3**

4. To approve the payment of Directors' benefits of up to an amount of RM195,000 in aggregate to the Non-Executive Directors of the Company during the course of the period from 31 May 2024 until the next Annual General Meeting of the Company. **Ordinary Resolution 4**

5. To re-appoint Mazars PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

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

6. **PROPOSED RENEWAL OF AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Constitution of the Company and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

Notice of Annual General Meeting

THAT the Directors of the Company be and are hereby empowered and authorised to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities and to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given, or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by a resolution of the Company at a general meeting.

AND THAT pursuant to Section 85 of the Act and the Clause 46 of the Company's Constitution, approval be and is hereby given for the statutory pre-emptive rights of the shareholders of the Company be waive and to offer New Shares arising from the Proposed General Mandate AND FURTHER THAT the Directors of the Company is exempted from the obligation to offer such New Shares first to the existing shareholders of the Company." **Ordinary Resolution 6**

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

"THAT, subject to the Companies Act 2016 ("Act"), the Constitution 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 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 –

(i) the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the purchase; and

(ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any 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 an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until –

(i) 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; or

(ii) 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).

Notice of Annual General Meeting

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."

Ordinary Resolution 7

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

"THAT, subject to the Companies Act 2016 ("Act"), the Constitution 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 Company's Circular to Shareholders dated 30 April 2024 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 are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until –

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

Ordinary Resolution 8

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

"THAT, subject to the Companies Act 2016 ("Act"), the Constitution 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 Company's Circular to Shareholders dated 30 April 2024 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 are not to the detriment of the minority shareholders ("Shareholders' Mandate").

Notice of Annual General Meeting

THAT such approval shall continue to be in force until –

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 9**

10. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH DIRECTORS AND MAJOR SHAREHOLDERS OF WARISAN TC HOLDING BERHAD AND ITS SUBSIDIARY AND PERSONS CONNECTED WITH THEM**

"THAT, subject to the Companies Act 2016 ("Act"), the Constitution 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 Directors and Major Shareholders of WTCH Group and persons connected with them ("Related Parties") including those as set out in Paragraph 3.3.1.3 of the Company's Circular to Shareholders dated 30 April 2024 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 are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until –

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or

(ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." **Ordinary Resolution 10**

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

By Order of the Board

LEE POH YEAN [SSM PC No. 202208000259 (MAICSA 7015043)]
LEE KOON SENG [SSM PC No. 202108000587 (MIA 8143)]
Company Secretaries

Kuala Lumpur
30 April 2024

Notice of Annual General Meeting

NOTES:

1. The 27th AGM will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Notes for the 27th AGM in order to register, participate and vote remotely via the RPV facilities.

2. The broadcast venue of the 27th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The broadcast venue of the 27th AGM is to inform shareholders where the electronic 27th AGM production and streaming would be conducted from. No member(s)/proxy(ies) will be allowed to physically present at the broadcast venue on the day of the meeting.

3. A depositor whose name appears in Record of Depositors of the Company as at 24 May 2024 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at the 27th AGM via RPV facilities.

4. 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, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting via RPV facilities. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 27th AGM.

5. Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.

6. Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds 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.

7. 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 shareholdings or the number of shares to be represented by each proxy.

8. Any beneficial owner who holds 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 more than one (1) but 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 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.

9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.

Notice of Annual General Meeting

10. The instrument appointing a proxy ("Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 27th AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 27th AGM or not later than Tuesday, 28 May 2024 at 10:30 a.m.:

    (a) In hard copy form
    Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

    (b) By electronic means via TIIH Online
    By electronic means to the electronic address at Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms; and

    (c) By electronic means via email
    By electronic mail (email) to Tricor's email address at is.enquiry@my.tricorglobal.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 10(a) above.

11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 27th AGM will be put to vote by poll.

EXPLANATORY NOTES ON ORDINARY / SPECIAL BUSINESS

(1) Item 1 of the Agenda – Audited Financial Statements for financial year ended 2023

The laying of the Audited Financial Statements under Item 1 of the Agenda in accordance with Section 340(1)(a) of the Companies Act 2016 is for the purposes of presenting the Audited Financial Statements to the shareholders and does not require approval of the shareholders.

(2) Ordinary Resolutions 1 and 2 – Re-election of Directors pursuant to Articles 98 of the Company's Constitution

The profiles of the Directors, namely Datuk Abdullah bin Abdul Wahab and Ms. Soh Eng Hooi who are standing for re-election under Item 2 of the Agenda are set out in the Profile of Directors of the Annual Report 2023.

Based on the recommendations of Nominating and Remuneration Committee of the Company, the Board (except for the retiring directors) collectively supports the re-election of Datuk Abdullah bin Abdul Wahab and Ms. Soh Eng Hooi as Directors of the Company based on the following justifications:

(i) they meet the criteria of skills, knowledge, expertise, experience, competency, time commitment, character, professionalism and integrity to effectively discharge their respective roles as Directors of the Company;
(ii) they have exercised their due care and carried out their professional duties proficiently during their tenure as Directors of the Company;
(iii) from their wealth of expertise and experience possessed, they will continue to bring sound judgement and valuable contribution to the Board deliberations and decision making by the Board; and
(iv) Ms. Soh Eng Hooi is able to raise her independence views and exercise due care as Independent Director of the Company and carry out her duty diligently in the interests of the Company and shareholders.

Notice of Annual General Meeting

(3) Ordinary Resolutions 3 and 4 – Directors' Fees and Benefits

In accordance with Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company pays Directors' fees and benefits to the Non-Executive Directors ("NEDs"). The Executive Directors do not receive any fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders.

The Board recommends that shareholders approve a maximum aggregate amount of RM480,000 for the payment of Directors' fees to the NEDs of the Company (including 2 additional NEDs) during the course of the period from 31 May 2024 until the next Annual General Meeting of the Company.

The Board also recommends that shareholders approve a maximum aggregate amount of RM195,000 for the payment of benefits to the NEDs of the Company (including 2 additional NEDs) which mainly consist of meeting allowance (for acting as Chairman of the Meeting, not more than RM1,500 per meeting and for acting as Board/Board Committee members, not more than RM1,200 per meeting) during the course of the period from 31 May 2024 until the next Annual General Meeting of the Company.

(4) Ordinary Resolution 6 – Proposed Renewal of Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 6 is a renewal of the previous year's general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The aforesaid Ordinary Resolution, if passed, will empower the Directors of the Company, from the date of the 27th AGM, to issue and allot new ordinary shares of the Company of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority, unless earlier revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The authority to issue shares pursuant to Sections 75 and 76 of the Act will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting to approve such issuance of shares. As at the date of this notice, there is no proposal to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 46 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 46 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholding percentage in the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Act which was approved by the shareholders at the 26th AGM held on 2 June 2023 and will lapse at the conclusion of the 27th AGM to be held on 30 May 2024. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

Notice of Annual General Meeting

EXPLANATORY NOTES ON ORDINARY / SPECIAL BUSINESS (Cont'd)

(5) Ordinary Resolution 7 – Proposed Renewal of Authority for the Company to Purchase Its Own Shares

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company at any point in time of the purchase ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority will continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, or revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 30 April 2024 which is available at the Company's website at https://www.warisantc.com.

(6) Ordinary Resolutions 8, 9 and 10 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The proposed Ordinary Resolutions 8, 9 and 10, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on Ordinary Resolutions 8, 9 and 10 are set out in the Circular to Shareholders dated 30 April 2024 which is available at the Company's website at https://www.warisantc.com.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

No Director is standing for election at the forthcoming 27th AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 27th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the 27th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 27th AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Administrative Notes

WARISAN TC HOLDINGS BERHAD
[Registration No. 199701009338 (424834-W)]
(Incorporated in Malaysia)

ADMINISTRATIVE NOTES FOR TWENTY-SEVENTH ANNUAL GENERAL MEETING

Date	:	Thursday, 30 May 2024
Time	:	10:30 a.m.
Broadcast Venue	:	Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

MODE OF MEETING

1. As part of the safety measures to safeguard the wellbeing of shareholders as well as facilitate greater shareholders' participation by way of electronic voting and remote shareholders' participation, the Twenty-Seventh Annual General Meeting ("27th AGM") of the Company will be held virtually through live streaming from the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers by the Securities Commission Malaysia.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 27th AGM in person at the Broadcast Venue on the day of the meeting.

ANNUAL REPORT 2023 AND CIRCULAR TO SHAREHOLDERS

1. The following documents are available on the Company's website at https://www.warisantc.com and Bursa Malaysia Securities Berhad's website at https://www.bursamalaysia.com:
   (a) Annual Report 2023 ("AR 2023")
   (b) Circular to Shareholders ("Circular")

2. If you need a copy of the printed AR 2023 and/or Circular, please fax or email your request to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at fax number and email address stated below. Alternatively, you may request online via Tricor's TIIH Online website at https://tiih.online by selecting "**Request for Annual Report**" under the "**Investor Services**".

DOOR GIFT/FOOD VOUCHER

There will be **NO DISTRIBUTION** of door gifts or food vouchers to shareholders/proxies who Participate in the 27th AGM.

REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

1. Shareholders are advised to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 27th AGM using RPV facilities provided by Tricor via its TIIH Online website at https://tiih.online.

2. Shareholders who appoint proxies to participate via RPV facilities in the 27th AGM must ensure that the duly executed Forms of Proxy are deposited either in hard copy form or by electronic means via TIIH Online website at https://tiih.online to Tricor not later than **Tuesday, 28 May 2024 at 10:30 a.m.**

Administrative Notes

REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

3. Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than **Tuesday, 28 May 2024 at 10:30 a.m.** to participate via RPV facilities in the 27th AGM.

4. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than **Tuesday, 28 May 2024 at 10:30 a.m.** to participate via RPV facilities in the 27th AGM. If the power of attorney is submitted by electronic mail (email) to Tricor's email address at is.enquiry@my.tricorglobal.com, it must be followed by the depositing of a hard copy of the power of attorney at Tricor's office.

5. **A shareholder who has appointed a proxy or attorney or authorised representative to participate and vote at the 27th AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV facilities at TIIH Online website at https://tiih.online.**

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions to the Board in advance of the 27th AGM via Tricor's TIIH Online website at https://tiih.online by selecting "**e-Services**" to login, pose questions and submit electronically not later than **Tuesday, 28 May 2024 at 10:30 a.m.** The Board will endeavour to answer the questions received at the 27th AGM.

PROCEDURES FOR RPV FACILITIES

Please read and follow the procedures and actions below to participate and vote at the 27th AGM remotely using the RPV facilities:

Procedure		Action
BEFORE THE DAY OF THE 27TH AGM		
(a)	Register as a user with TIIH Online	• Access the website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via email. • If you are already a user with TIIH Online, you are not required to register again. You will receive an email to notify you that the remote participation is available for registration at TIIH Online.
(b)	Submit your registration for RPV facilities	• **Registration is open from Tuesday, 30 April 2024 until such time before the voting session ends at the 27th AGM on Thursday, 30 May 2024.** • **Shareholders, proxies, corporate representatives or attorney(s) are required to pre-register their attendance for the 27th AGM for verification of their eligibility to attend the 27th AGM using the RPV facilities.** • Login with your user ID (i.e., email address) and password and select the corporate event: **"(REGISTRATION) WARISAN TC 27TH AGM"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors as at 24 May 2024, the system will send you an email after 28 May 2024 to approve or reject your registration for remote participation. *(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV facilities in order that you can login to TIIH Online and participate at the 27th AGM remotely.)*

Administrative Notes

Procedure		Action
ON THE DAY OF THE 27TH AGM		
(c)	Login to TIIH Online	• Login with your user ID and password for remote participation at the 27th AGM at any time from **9:30 a.m.** i.e., 1 hour before the commencement of the 27th AGM on **Thursday, 30 May 2024 at 10:30 a.m.**
(d)	Participate through Live Streaming	• Select the corporate event: **"(LIVE STREAM MEETING) WARISAN TC 27TH AGM"** to engage in the proceedings of the 27th AGM remotely. • If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will endeavour to respond to the questions submitted by remote participants during the 27th AGM. • The quality of your connection to the live streaming is dependent on the bandwidth and stability of the internet connection at your location and the device you are using. • In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, please call Tricor Help Line at **011-40805616 / 011-40803168 / 011-40803169 / 011-40803170** for assistance or email to tiih.online@my.tricorglobal.com for assistance.
(e)	Online Remote Voting	• Voting session commences from **10:30 a.m.** on **Thursday, 30 May 2024** until a time when the Chairman announces the end of the voting session of the 27th AGM. • Select the corporate event: **"(REMOTE VOTING) WARISAN TC 27TH AGM"** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	• Upon the announcement by the Chairman on the conclusion of the 27th AGM, the live streaming will end.

APPOINTMENT OF PROXY

1. The 27th AGM will be conducted on a virtual basis, if you are unable to attend the meeting via RPV facilities on 30 May 2024, you may appoint the Chairman of the meeting as your proxy and indicate your voting instructions in the Form of Proxy.

2. The instrument appointing a proxy ("Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 27th AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 27th AGM or not later than Tuesday, 28 May 2024 at 10:30 a.m.:

   (a) In hard copy form
   Either by hand or post to the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-27839299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

   (b) By electronic means via email
   By electronic mail (email) to Tricor's email address at is.enquiry@my.tricorglobal.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated above; and

Administrative Notes

APPOINTMENT OF PROXY

(c) By electronic means via TIIH Online

By electronic means to the electronic address at Tricor's TIIH Online website at https://tiih.online. The steps to submit the Form of Proxy are summarised below:

Procedure	Action
i. Steps for individual Shareholders	
Register as a User with TIIH Online	• Access the website at https://tiih.online. • Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Form of Proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e., email address) and password. • Select the corporate event: **"WARISAN TC 27TH AGM - SUBMISSION OF PROXY FORM"**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Indicate your voting instructions – **FOR** or **AGAINST**, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the Form of Proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects **"Create Account by Representative of Corporate Holder"**. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. *(Note: The representative of a corporation or institutional shareholder must register as a user first in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)*
Proceed with submission of Form of Proxy	• Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: **"WARISAN TC 27TH AGM – SUBMISSION OF PROXY FORM"**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxy(s) by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate exercise name: **"WARISAN TC 27TH AGM - SUBMISSION OF PROXY FORM"**. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

Administrative Notes

POLL VOTING

1. The voting at the 27th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting) and Scrutineer Solutions Sdn Bhd as Scrutineers to verify the poll results.

2. Shareholders/proxies/corporate representatives can proceed to vote remotely on the resolutions at any time from the commencement of the 27th AGM at 10:30 a.m. on Thursday, 30 May 2024 but before the end of the voting session which will be announced by the Chairman of the meeting. Please refer to the **"Procedures for RPV facilities"** above for guidance on how to vote remotely from TIIH Online website at https://tiih.online.

3. Upon completion of the voting session for the 27th AGM, the Scrutineers will verify the poll results and to be followed by the Chairman's declaration whether the resolutions are duly passed.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line	:	+603-2783 9299
Fax No.	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact persons	:	Encik Hifzul Azad (Mohamad.Hifzul@my.tricorglobal.com) Encik Nazrul Darwin (Nazrul.Darwin@my.tricorglobal.com) Puan Siti Zalina Osmin (Siti.Zalina@my.tricorglobal.com)

PERSONAL DATA PRIVACY

Please refer to the Company's compliance with the Personal Data Protection Act 2010 notice as found in the Company's 2023 Annual Report.

WARISAN TC HOLDINGS BERHAD
[Registration No. 199701009338 (424834-W)]
(Incorporated in Malaysia)

Form of Proxy

CDS Account No.	
Number of shares held	
Shareholder's email address	
Tel No.	

I/We _____ NRIC No./Company No. _____
(name of shareholder, in capital letters) *(new and old)*

of _____

_____
(full address)

being a member(s) of WARISAN TC HOLDINGS BERHAD, hereby appoint:

Proxy 1			
Full Name *(in capital letters and as per NRIC/Passport)*	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Full Address			

and

Proxy 2			
Full Name *(in capital letters and as per NRIC/Passport)*	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Full Address			

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 Twenty-Seventh Annual General Meeting ("27th AGM") of the Company to be held virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 30 May 2024 at 10:30 a.m., and at any adjournment thereof, as indicated below:

No.	Resolution	For	Against
Ordinary Resolution 1	Re-election of Datuk Abdullah bin Abdul Wahab as Director		
Ordinary Resolution 2	Re-election of Ms. Soh Eng Hooi as Director		
Ordinary Resolution 3	Approval for the payment of Directors' Fees		
Ordinary Resolution 4	Approval for the payment of Directors' Benefits		
Ordinary Resolution 5	Re-appointment of Mazars PLT as Auditors		
Special Business			
Ordinary Resolution 6	Proposed Renewal of Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 7	Proposed Renewal of Authority for the Company to purchase its own shares		
Ordinary Resolution 8	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Ordinary Resolution 9	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad and its subsidiaries		
Ordinary Resolution 10	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Directors and Major Shareholders of the Company and its subsidiaries and persons connected with them		

(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.)

_____
Signatures of Member(s)/Attorney of Member(s)

Date : _____

_____
Common Seal of Member, if applicable
(if the appointer is a corporation)

NOTES:

1. The 27th AGM will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Notes for the 27th AGM in order to register, participate and vote remotely via the RPV facilities.

2. The broadcast venue of the 27th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The broadcast venue of the 27th AGM is to inform shareholders where the electronic 27th AGM production and streaming would be conducted from. No member(s)/proxy(ies) will be allowed to physically present at the broadcast venue on the day of the meeting.

3. A depositor whose name appears in Record of Depositors of the Company as at 24 May 2024 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at the 27th AGM via RPV facilities.

4. 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, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting via RPV facilities. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 27th AGM.

5. Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.

6. Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds 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.

7. 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 shareholdings or the number of shares to be represented by each proxy.

8. Any beneficial owner who holds 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 more than one (1) but 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 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.

9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.

Please fold here to seal

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Stamp
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Tricor Investor & Issuing House Services Sdn Bhd
[Registration No. 197101000970 (11324-H)]
Registrar for **WARISAN TC HOLDINGS BERHAD**
[Registration No. 199701009338 (424834-W)]
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Please fold here to seal

10. The instrument appointing a proxy ("Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 27th AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 27th AGM or not later than Tuesday, 28 May 2024 at 10:30 a.m.:

    (a) **In hard copy form**
    Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

    (b) **By electronic means via TIIH Online**
    By electronic means to the electronic address at Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms; and

    (c) **By electronic means via email**
    By electronic mail (email) to Tricor's email address at is.enquiry@my.tricorglobal.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 10(a) above.

11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 27th AGM will be put to vote by poll.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 27th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the 27th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 27th AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Personal Data Protection Notice

This Personal Data Protection Notice ("Notice") is issued to all shareholders (including substantial shareholders) ("Shareholders") of WARISAN TC HOLDINGS BERHAD ("Company", "WTCH", "we", "us" or "our") in accordance with the Personal Data Protection Act, 2010 ("Act") which came into force on 15 November 2013. The Act regulates the processing of personal data and requires us to notify you on matters relating to your personal data that is being processed, or that is to be collected and further processed by us. For the purpose of this Notice, the terms "personal data" and "processing" used in this Notice shall have the meaning prescribed in the Act.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has also on 15 November 2013 amended the Main Market Listing Requirements ("Listing Requirements") consequential to the Act. Under Paragraph 2.14A of the Listing Requirements, any person who provides or has provided personal data to Bursa Malaysia should read and be aware of Bursa Malaysia's personal data notice available at Bursa Malaysia's website www.bursamalaysia.com ("Bursa Malaysia's personal data notice"). If the Company provides Bursa Malaysia with personal data of the Shareholders, the Company must notify the Shareholders of Bursa Malaysia's personal data notice.

As Shareholders of WTCH, your personal data which may include your name, national registration identity card number (NRIC no.), passport number, address, date of birth/age, contact details and number, email address, gender, nationality, shareholding in WTCH, bank account number, CDS account number and any other personal data required, may be processed by WTCH and its related companies ("WTCH Group") for the following purposes ("Purposes"):

(a) Compliance with the Companies Act 2016, Listing Requirements and applicable relevant laws, regulations and guidelines, as may be amended, from time to time;
(b) Verification of information to authorities and governmental agencies;
(c) Deliver, communicate and transmit to the Shareholders of WTCH's annual report, circular to shareholders, and any other information through modes of communication and delivery we deem appropriate;
(d) Payment of dividends and giving of other benefits to you as Shareholders, if applicable;
(e) Maintain, upkeep and update our records regarding our Shareholders' information; and
(f) Dealings with all matters in connection with your shareholding in the WTCH; or such other purposes as may be related to the foregoing.

The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.

Your personal data may be disclosed by us in connection with the Purposes to parties including but not limited to companies within WTCH Group (whether present or future), our professional advisers, insurance companies, auditors, lawyers, banks, share registrars and other service providers, governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligations which is imposed on WTCH Group. Your personal data may be transferred to a place outside Malaysia.

If you fail to supply to us your personal data, we may not be able to process your personal data for any of the Purposes.

We are committed to ensuring that your personal data is stored securely. You are responsible for ensuring that the personal data you provide to us is accurate, complete and not misleading and that such personal data is kept up to date.

Please also be notified that you have the right to request access to and correction of your personal data and you have a choice to limit the consent of the processing of your personal data.

Your written requests or queries pertaining to your personal data should be addressed to:

Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
Attention : Mr. Allen Sii, Senior Manager
Tel No. : +603-2783 9299
Fax No. : +603-2783 9222
Email : Allen.Sii@my.tricorglobal.com

By providing to us your personal data, you hereby consent to the processing of your personal data in accordance with all of the foregoing. You shall also procure the consent of your proxy appointed to attend any general meeting of WTCH on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

In accordance with the Act, the Notice is issued in both English and Bahasa Malaysia. In the event of inconsistency between the English version and the Bahasa Malaysia version, the English version shall prevail.

Issued by: Warisan TC Holdings Berhad
30 April 2024

Notis Perlindungan Data Peribadi

Notis Perlindungan Data Peribadi ini ("Notis") dikeluarkan kepada semua pemegang saham (termasuk pemegang-pemegang saham utama) ("Pemegang Saham") WARISAN TC HOLDINGS BERHAD ("Syarikat", "WTCH" atau "kami") menurut Akta Perlindungan Data Peribadi, 2010 ("Akta") yang berkuatkuasa pada 15hb November 2013. Akta ini mengawal selia pemprosesan data peribadi dan menghendaki kami untuk memaklumkan anda berkenaan perkara-perkara yang berkaitan dengan data peribadi anda yang sedang diproses, atau yang akan dikumpul dan diproses oleh kami. Untuk tujuan Notis ini, terma-terma "data peribadi" dan "pemprosesan" yang digunakan dalam Notis ini hendaklah membawa maksud sepertimana yang ditakrifkan dalam Akta tersebut.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") telah membuat pindaan kepada Keperluan Penyenaraian Pasaran Utama ("Keperluan Penyenaraian") pada 15hb November 2013 akibat daripada Akta ini. Seperti yang tertakluk di bawah perenggan 2.14A Keperluan Penyenaraian, sesiapa yang memberi atau telah memberi data peribadi kepada Bursa Malaysia, haruslah membaca dan menyedari tentang notis data peribadi Bursa Malaysia yang terdapat di laman web Bursa Malaysia di www.bursamalaysia.com ("notis data peribadi Bursa Malaysia"). Sekiranya Syarikat membekalkan data peribadi Pemegang Saham kepada Bursa Malaysia, Syarikat mesti memaklumkan Pemegang Saham tentang notis data peribadi Bursa Malaysia.

Sebagai Pemegang Saham WTCH, data peribadi anda mungkin termasuk nama, nombor kad pengenalan, nombor pasport, alamat, tarikh lahir/ umur, maklumat dan nombor perhubungan, alamat emel, jantina, kewarganegaraan, pegangan saham dalam WTCH, nombor akaun bank, nombor akaun Sistem Depositori Pusat (CDS) anda dan data peribadi lain yang dikehendaki, yang mungkin diproses oleh WTCH dan syarikat-syarikat yang berkaitan dengannya ("Kumpulan WTCH") untuk tujuan-tujuan berikut ("Tujuan"):

(a) Mematuhi Akta Syarikat 2016, Keperluan Penyenaraian dan undang-undang, peraturan-peraturan dan garis panduan berkaitan yang mungkin dipinda dari semasa ke semasa;
(b) Pengesahan maklumat kepada pihak berkuasa dan agensi kerajaan;
(c) Menyampaikan, menghubungi dan menghantar laporan tahunan WTCH, pekeliling kepada Pemegang Saham, dan lain-lain maklumat kepada Pemegang Saham melalui cara komunikasi dan penyampaian yang kami anggap sesuai;
(d) Pembayaran dividen dan manfaat lain kepada anda sebagai Pemegang Saham, jika berkenaan;
(e) Mengekal, menyelia dan mengemaskinikan rekod kami yang berkaitan dengan maklumat-maklumat Pemegang Saham; dan
(f) Untuk berurusan dengan semua perkara yang berkaitan dengan pegangan saham anda dalam WTCH; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.

Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang diberi oleh anda serta maklumat lain yang mungkin kami perolehi berkenaan anda.

Maklumat peribadi anda mungkin dizahirkan oleh kami untuk Tujuan di atas kepada pihak lain termasuk dan tidak terhad kepada syarikat-syarikat dalam Kumpulan WTCH (sama ada pada masa kini atau masa depan), penasihat profesional, syarikat-syarikat insurans, juruaudit, peguam, bank, pendaftar saham dan pembekal perkhidmatan lain, semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga, sebagaimana yang dikehendaki undang-undang atau timbul daripada apa-apa kewajipan undang-undang yang dikenakan ke atas Kumpulan WTCH. Data peribadi anda mungkin akan dipindahkan ke suatu tempat di luar Malaysia.

Sekiranya anda gagal membekalkan data peribadi anda kepada kami, kami mungkin tidak dapat memproses data peribadi anda bagi mana-mana Tujuan tersebut.

Kami akan memastikan semua data peribadi anda disimpan dengan selamat. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan dikemaskini.

Adalah dimaklumkan bahawa anda mempunyai hak untuk meminta akses dan membetulkan data peribadi anda atau menghadkan pemprosesan data peribadi anda.

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
Untuk Perhatian : Encik Allen Sii, Pengurus Kanan
No. Tel : +603-2783 9299
No. Fax : +603-2783 9222
Emel : Allen.Sii@my.tricorglobal.com

Dengan membekalkan data peribadi anda kepada kami, bermaksud anda bersetuju membenarkan kami memproses data peribadi anda selaras dengan apa-apa yang dinyatakan di atas. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung WTCH bagi pihak anda sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Mengikut Akta tersebut, Notis ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan diguna pakai.

Dikeluarkan oleh: Warisan TC Holdings Berhad
30 April 2024

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