WARISAN TC HOLDINGS BERHAD
(424834-W)

ANNUAL REPORT
2016

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CORPORATE INFORMATION

DIRECTORS

DATO' TAN HENG CHEW
President

TAN KENG MENG
Chief Executive Officer

CHIN TEN HOY
Senior Vice-President, Mayflower Group

DATUK ABDULLAH BIN ABDUL WAHAB
Senior Independent Non-Executive Director

DATO' SEOW THIAM FATT
Independent Non-Executive Director

DATO' CHONG KWONG CHIN
Independent Non-Executive Director

LEE MIN ON
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Chong Kwong Chin
Chairman

Dato' Seow Thiam Fatt

Datuk Abdullah bin Abdul Wahab

Lee Min On

NOMINATING COMMITTEE

Datuk Abdullah bin Abdul Wahab
Chairman

Dato' Seow Thiam Fatt

Dato' Chong Kwong Chin

Lee Min On

COMPANY SECRETARIES

Ang Lay Bee
Chang Pie Hoon

REGISTERED OFFICE

62-68, Jalan Sultan Azlan Shah
51200 Kuala Lumpur
Telephone : +603 4047 8888
Facsimile : +603 4047 8636

CORPORATE OFFICE

No. 15-3, Tingkat 3
Jalan Ipoh Kecil
50350 Kuala Lumpur
Telephone : +603 4047 9733
Facsimile : +603 4047 9722
Email : corporate@warisantc.com
Website : www.warisantc.com

SHARE REGISTRARS

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
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Bangsar South
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59200 Kuala Lumpur
Telephone : +603 2783 9299
Facsimile : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

Mazars PLT
Wisma Selangor Dredging
11th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur

STOCK EXCHANGE LISTING

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

BUSINESS DIVISIONS

TRAVEL & CAR RENTAL

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

AUTOMOTIVE

- Light commercial truck
- Heavy commercial truck
- Pick up truck

MACHINERY

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

OTHERS

- Cosmetics
- Hair care
- Lingerie
- Used vehicle auction
- Property Investment

CORPORATE STRUCTURE

WARISAN TC HOLDINGS BERHAD
(424834-W)

TRAVEL & CAR RENTAL DIVISION

- 100% Mayflower Car Rental Sdn Bhd
- 100% Mayflower Holidays Sdn Bhd
- 100% Mayflower-My 2nd Home (MM2H) Sdn Bhd
- 100% Mayflower Corporate Travel Services Sdn Bhd
- 55% GoCar Mobility Sdn Bhd
- 100% Mayflower Holidays (Borneo) Sdn Bhd
- 100% MAT Tours And Travel (Cambodia) Pte Ltd

MACHINERY

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

AUTOMOTIVE

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

OTHERS

- 100% Warisan Captive Incorporated
- 100% Grooming Expert Sdn Bhd
- 100% Tung Pao Sdn Bhd
- 100% Tan Chong Apparels Manufacturer Sdn Bhd
- 100% Comit Communication Technologies (M) Sdn Bhd
- 100% MUV Marketplace Sdn Bhd
- 100% MUV Solutions Sdn Bhd
- 100% Warisan TC Management Services Sdn Bhd
- 50% Shiseido Malaysia Sdn Bhd
- 50% Wacoal Malaysia Sdn Bhd

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

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 2016.

2016 has been a tough and challenging year for the Group. The volatility and weakening of the Ringgit, tight credit market and cautious consumer spending affected the sales and profitability of the Group. Despite the challenges posed by the macro environment, we have continued to prioritise strategic decisions for long term success over short term gain. Toward this end, we have made strategic investments to further broaden and enhance our capability and capacity.

In March 2016, our Car Rental unit namely Mayflower Car Rental Sdn Bhd acquired a 55% stake in GoCar Mobility Sdn Bhd, a car sharing start-up, to strengthen our position in the mobility retail market. The acquisition has provided us with immediate access to a mobile self-service platform to offer on-demand, pay as you use mobility service to consumers. The car rental industry is continuing to evolve brought about by new disruptive technologies. In this regard, we are positioning ourselves to be at the forefront of this evolution to better meet the car rental consumer mobility needs.

Similarly, we have continued to invest in new e-bidding software application to make further inroad to the used vehicle market and capture a larger volume of the transactions. Today, auctions are conducted weekly and car dealers are able to bid live from wherever they are without having to come to our auction sites in Seri Kembangan, Selangor, Bayan Lepas, Penang or Johor Jaya, Johor. In addition, we created another app called Xchange which provides another avenue for dealers and consumers to buy and sell their vehicles seamlessly via an online live bidding process.

In terms of geographic expansion, our Travel subdivision has also expanded into Thailand through a joint venture to undertake travel and tourism business. This will further augment our presence in this region having started the travel and tourism business in Cambodia in 2015.

These investments may take some time to yield profits but are tracking well with our plans. Albeit our short term financial performance may be impacted by the gestation cost of new business undertakings and temporal economic factors we believe the initiatives we have taken are essential for the sustainability and long term growth of the Group.

Financial Performance

Group revenue increased marginally to RM446.1 million from RM445.9 million in prior year.

Notwithstanding the higher revenue, the Group recorded a loss before tax of RM0.9 million compared with a profit before tax of RM3.9 million in prior year primarily due to tough market condition and gestation costs of new businesses. In addition, no fair value gain on investment property was recognised in 2016 compared with RM1.3 million recognised in 2015.

A Group loss after tax of RM5.6 million was recorded compared with a profit after tax of RM0.8 million in 2015 primarily due to deferred tax assets not being recognised for certain loss-making subsidiaries.

PRESIDENT'S STATEMENT
cont'd

Dividends

The Board recommends a final single tier dividend of 2.0 sen per share for the financial year ended 31 December 2016 for the approval of shareholders at the forthcoming Annual General Meeting. Combined with the interim single tier dividend of 2.0 sen per share paid on 30 September 2016, the total dividends per share for the year is 4.0 sen.

Outlook

The business environment is expected to continue to be plagued by uncertainties arising from a host of economic and geopolitical challenges globally. Much will also depend on the plans to be rolled out in the US under the new Presidency which will have global economic implications. As such, we expect to see volatility in the Ringgit foreign exchange rate in the short term.

Higher cost of imported products due to the weak Ringgit may potentially erode our margins. The prevailing weak consumer sentiment and business confidence as well as the tight credit market also continue to pose major challenges to our business units.

However, we have embraced volatility as the new norm in business. Hence, we continue to stay focussed on transforming for long term sustainability notwithstanding any short term interruptions caused by market volatility.

Technology adoption and continuous process improvement will be the mainstays of the transformation plan to future proof our businesses. Despite the challenging operating environment, we are confident of the resilience of our Group and convinced that we will emerge stronger.

Appreciation

There were changes to the Board during the past year. Datin Low Suet Moi resigned as the Executive Director on 4 August 2016, following which Mr Chin Ten Hoy and Mr Lee Min On were appointed as Executive Director and Independent Director, respectively on 29 November 2016.

On behalf of the Board, I would like to thank Datin Low for her contributions. At the same time, we are pleased to welcome Mr Chin and Mr Lee to the Board.

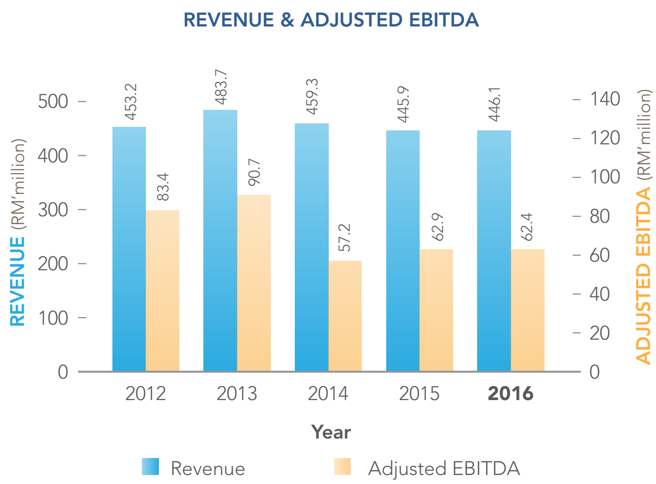
I also extend my appreciation to all shareholders, customers, suppliers and financiers for their continuing support to the Group. Last but not least, my heartfelt thanks to all employees and my fellow Board members for their dedication and contributions throughout the year.

Dato' Tan Heng Chew JP, DJMK
President
5 April 2017

MANAGEMENT DISCUSSION AND ANALYSIS

2016 Financial Highlights

The Group's revenue increased marginally to RM446.1 million from RM445.9 million registered in 2015, primarily attributable to higher revenue contributions by the Machinery, Travel & Car Rental and Vehicle Auction business units, but partially offset by a decline in Automotive division's revenue.



We consider earnings before interest, taxes, depreciation and amortization ("EBITDA") a useful financial metric to assess the Group's operating performance as it eliminates the impact related to investing, financing and accounting decisions. In addition, we have adjusted the EBITDA to exclude the fair value gain on investment property ("Adjusted EBITDA"), to provide a more accurate measure of ongoing core operating results and to facilitate year on year comparison. The Adjusted EBITDA declined marginally to RM62.4 million from RM62.9 million registered in prior year as the improvement to revenue was offset by higher gestation costs in respect of new businesses entered into in recent years.

Notwithstanding the Adjusted EBITDA declined only marginally, the Group registered a loss before tax of RM0.9 million compared with a profit before tax of RM3.9 million registered in 2015, primarily due to the impact of higher interest and depreciation charges arising from higher capital expenditure. In addition, no fair value gain on investment was recognised in 2016 compared to RM1.3 million recognised in 2015.

A consolidated loss after tax of RM5.6 million was registered compared with a profit after tax of RM0.8 million in 2015 primarily due to deferred tax assets not being recognised for certain loss-making subsidiaries.

Liquidity and Capital Resources

Cash and cash equivalents of the Group reduced to RM81.7 million as at 31 December 2016 from RM94.3 million as at 31 December 2015. The table below provides an overview of the Group's cash flows for 2016 and 2015.

	2016 RM'000	2015 RM'000
Net cash generated from/(used in):		
Operating activities	108,469	68,122
Investing activities	(55,165)	(47,451)
Financing activities	(66,666)	(18,859)
Increase/(decrease) in cash	(13,362)	1,812

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

a) Net cash generated from operating activities in 2016 was RM108.5 million compared with RM68.1 million generated in 2015. The increase of RM40.4 million was primarily attributable to net cash inflows in respect of changes in working capital and higher proceeds from disposals of cars held for rental.

b) Net cash outflows from investing activities increased to RM55.2 million in 2016 from RM47.5 million in 2015. This was primarily attributable to an increase in the net cash paid for the acquisition of property, plant and equipment and the acquisition of intangible assets, partially offset by lower proceeds from the disposal of property plant and equipment compared with 2015.

c) Financing activities of the Group recorded net cash outflows of RM66.7 million compared with RM18.9 million in 2015 primarily due to a relatively higher total repayment sum of credit facilities and hire purchase payables vis a vis the total drawdown of credit facilities.

The Group's capital resources comprise primarily cash flows generated by operating activities, cash and cash equivalents and available lines of credit. As at 31 December 2016, the Group's net gearing ratio stood at 0.70 times compared with 0.63 times as at the previous year end. The increase in net gearing was primarily due to the increase in net cash outflows from investing activities and hire purchase liabilities to finance the acquisition of cars for rental.

The Group will continue maintain a prudent approach in managing its capital resources to ensure it is sufficient to meet operating requirements and capital expenditures.

Segment Results and Analysis

Travel & Car Rental

The Travel & Car Rental division comprises 2 major strategic business units namely the Travel subdivision (hereinafter referred to as "Mayflower Travel") and the Car Rental subdivision (hereinafter referred to as "Mayflower Car Rental").

Mayflower Travel provides a range of travel and tours services including inbound tours, outbound and corporate incentive tours, and air ticketing services through several Group subsidiaries. It operates offices in Kuala Lumpur, Penang, Johor Bahru, Kota Kinabalu and Phnom Penh, Cambodia, as well as an online platform to facilitate transactions through the internet.

Mayflower Car Rental provides car leasing and rental, coach and chauffeur services. Headquartered in Kuala Lumpur, it operates branches in Johor Bahru, Penang, Langkawi, Kuantan, Kuching, Kota Kinabalu and Miri. In addition, it also maintains counters at KLIA, KLIA2, Penang International Airport, Sultan Ahmad Shah Airport and Senai International Airport.

For the financial year ended 31 December 2016, the division registered an increase in revenue to RM194.2 million from RM192.5 million in 2015. The increase in revenue was attributable to a higher contribution from Mayflower Car Rental, partially offset by a slight decline from Mayflower Travel.

Segment profit declined marginally to RM50.4 million from RM52.0 million in 2015 primarily due to a lower profit contribution from Mayflower Travel.

The increase in Mayflower Car Rental's revenue was due to inter alia an increase in contribution from its corporate sales unit. A depot was set up in Pengerang, Johor in 2016 to provide a more dedicated and efficient service to our clients operating within the Refinery and Petrochemical Integrated Development ("RAPID") project site. As a result, we saw an increase in demand for our vehicles from the RAPID project contractors. Apart from the growth at Pengerang, the corporate sales unit also managed to capture a number of new key accounts in particular, companies in the telecommunication services industry.

In addition, higher proceeds from disposals of used vehicles also contributed to the increase in revenue. As part of the operating model to maintain a young fleet in order to offer better quality vehicles and lower maintenance cost, 1,297 units of new vehicles (2015: 892 units) were added to the fleet and 466 fleet units (2015: 399 units) were disposed during the year.

In March 2016, Mayflower Car Rental Sdn Bhd ("MCR") invested in a 55% equity interest in GoCar Mobility Sdn Bhd ("GoCar"), a start-up operating an on-demand car rental app, which enables a person to book, unlock and access a

MANAGEMENT DISCUSSION AND ANALYSIS
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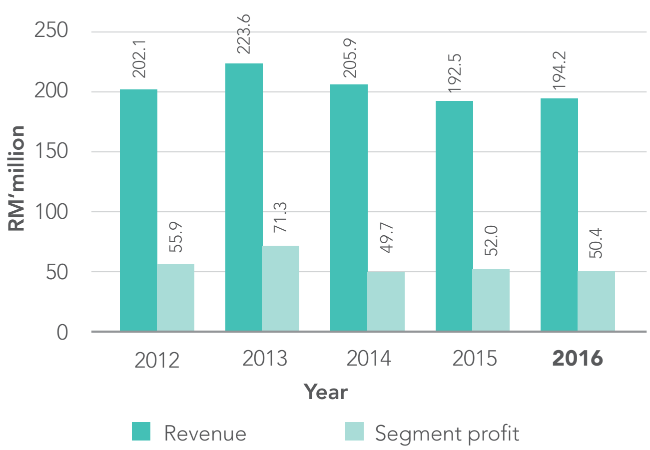
TRAVEL AND CAR RENTAL DIVISION



car directly from his or her smartphone. The investment is very synergistic to Mayflower Car Rental's retail business as the app allows members to rent cars by the hour or the day through a self-service platform which upends the traditional process of negotiating car rental terms and paying at the counter. As at 31 December 2016, GoCar has already established 31 vehicle pickup spots in various strategic locations in Kuala Lumpur, Petaling Jaya, Shah Alam, KLIA, Cyberjaya and Langkawi. We will continue to establish more locations to make it more convenient for customers to hire our cars.

Mayflower Travel saw a lower revenue contribution from Inbound Travel but this was partially compensated by higher sales from Corporate Incentive and Corporate Ticketing segments as well as MAT Tours & Travel Cambodia Pte Ltd, a wholly-owned subsidiary of the Group which had commenced business in Cambodia in 2015.

As in the previous years, Mayflower Travel garnered many industry accolades in 2016 including the following:

• Malaysia Airlines	- Gold Award Agent 2015 - Appreciation Award for 2015 - Most Productive Agency of the Year 2015
• Emirates	- Sales Performance Award 2014/2015
• Singapore Airlines	- Top Agency Sales 2015/2016
• Cathay Pacific	- Top Agents Award 2015
• Etihad	- Best Premium Agent 2015
• Korean Air	- Top Agents Award 2015
• Eva Airways	- Outstanding Performance Award 2015
• Vietnam Airlines	- Top Supporting Agent 2015
• China Southern Airlines	- Top 20 Travel Agencies Award 2015
• China Airlines	- Outstanding Contribution 2015
• Lufthansa	- Top Agent Award 2015
• Malindo Air	- 2015 Malindo Mega Award
• Air Astana	- Top Agent Award 2015
• Hahn Air	- Top Selling Agency 2015 in Malaysia
• Bangkok Airways	- Top Agent Award 2016
• Sabre	- Top Agency Award 2015/2016
• AXA	- Gold Member of AXA
• AIG	- Top Supporting Travel Agent 2015
• Insight Vacations	- Top Agent Award
• Marriot Putrajaya	- Top 10 Supporter

In line with its plans to expand regionally, MAT (Labuan) Pte Ltd ("MAT Labuan"), a wholly-owned subsidiary of the Group entered into a joint venture agreement with several Thai individuals on 1 July 2016 for the establishment of a travel & tours business in Thailand. The joint venture company namely, Mayflower Saha (Thailand) Co., Ltd was registered in Thailand on 9 November 2016 with MAT Labuan holding 49% equity interest. The joint venture company anticipates commencing the travel and tours operations in Thailand in 2017 upon obtaining the relevant business licence.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

Automotive

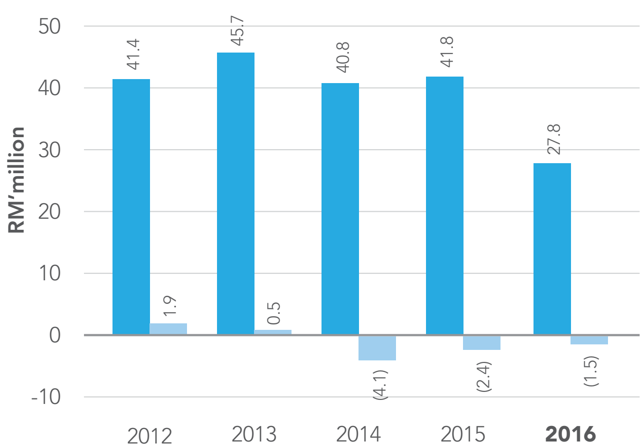
The Automotive division is the distributor of Foton Chinese vehicles under the brand names of Auman (for heavy commercial vehicles), Bison (for light commercial vehicles) and Savanna (for pickup trucks).

The segment revenue of the Automotive division declined to RM27.8 million from RM41.8 million recorded in 2015. Notwithstanding the lower revenue, segment loss reduced to RM1.5 million from RM2.4 million recorded in prior year primarily due to inter alia cost control initiatives.

2016 was a particularly difficult year for the automotive industry in Malaysia. The weak consumer sentiment coupled with the tighter lending scrutiny by financial institutions took a toll on the total industry volume. For the first time since 2009, total industry volume fell below the 600,000 level. The total industry volume for commercial vehicles in Malaysia fell 13% to 65,579 from 75,376 recorded in 2015.

We were not spared from the adverse market conditions. However, we have continued to widen our sales and marketing coverage of potential corporate customers, particularly those with corporate fleet requirements. We also proactively engaged customers who had purchased vehicles from us to gather their feedback for product and service quality improvements. We believe this will go a long way towards building the confidence of customers in our products and services and ultimately growing our market share in the commercial vehicle space.

AUTOMOTIVE DIVISION

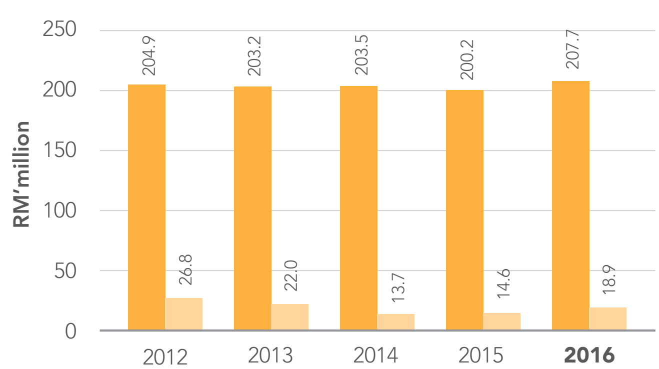


Machinery

The Machinery division is the distributor of a wide range of equipment and machinery such as Sumitomo excavators, SDLG wheel loaders, Sakai compactors, Terex backhoe loaders, John Deere tractors, Tonly off-road trucks, Unicarriers forklifts, Dulevo sweepers, etc. Headquartered in Shah Alam, it has branches in major cities and towns throughout Malaysia namely, Butterworth, Ipoh, Seremban, Melaka, Kluang, Johor Bahru, Kuantan, Kota Bharu, Kuching, Miri, Bintulu, Lahad Datu, Sibu, Kota Kinabalu, and Sandakan.

The segment revenue of the Machinery division increased slightly to RM207.7 million from RM200.2 million registered in 2015. The improvement in revenue was contributed primarily by higher heavy machinery sales, particularly the Tonly off-road trucks and Sakai compactors, as well as higher after sales revenue. In line with the improvement in revenue and lower operating expenses as a result of cost rationalisation initiatives, segment profit increased 29.5% to RM18.9 million from RM14.6 million registered in 2015.

MACHINERY DIVISION



MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

The improvement in our operating results was an achievement in the face of market uncertainties and volatilities particularly in relation to the Ringgit. Through hedging strategies and price negotiations with our principals we were able to maintain our overall margin. Operational controls were also further tightened as part of our continuous improvement initiative to control costs and enhance efficiency.

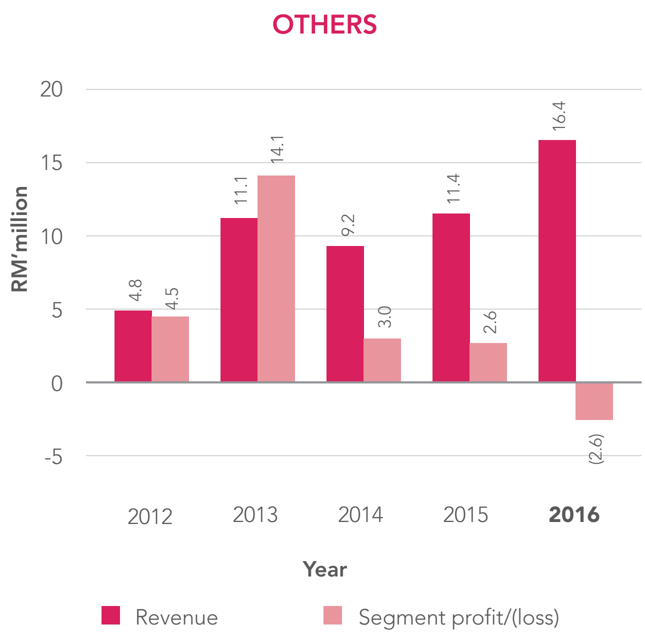
We have been a distributor of reputable international equipment and machinery marques for over 30 years, a heritage which we are proud of. Over the years, the range of products we carry such as Sumitomo excavators, John Deere tractors, Unicarriers forklifts, Sakai compactors, SDLG wheel loaders, etc., have become recognised names and are widely used in all key sectors of the economy i.e., manufacturing, agriculture, construction, mining and services. As a matter of fact, SDLG continues to be Malaysia's market leader for wheel loaders for the last several years.

In 2015, we added the Tonly off-road trucks to our range of product distributorships and we are proud to announce that within a short span of one year, we have picked up the Tonly "2016 Outstanding Overseas Distributor Award".

Others

Other businesses include consumer products, auction services, captive insurance services and property investment. Segment revenue increased to RM16.4 million from RM11.4 million recorded in 2015. The division however recorded a segment loss of RM2.6 million compared with a segment profit of RM2.6 million in 2015 primarily due to gestation costs of MUV Marketplace Sdn Bhd ("MUV Marketplace").

The main revenue contributor to the division was MUV Marketplace, which provides e-bidding vehicle auction services. From the commencement of its auction services in



Note:
The revenues of joint venture companies are not included in the segment revenue as they are accounted using equity method of accounting. The Group's share of profits of the joint ventures is included in the segmental profit/(loss).

2014 up to 31 December 2016, it has listed approximately 19,000 vehicles for auction. In 2016, the number of vehicles listed on its auction platform more than doubled from 2015 to over 13,000 units. MUV Marketplace has facilitated approximately RM390 million worth of vehicle transactions since the inception of its operations in 2014 up to 31 December 2016, with approximately RM222 million sales in 2016 alone.

2016 has been a busy year for MUV Marketplace. During the year, it established its headquarters in Seri Kembangan to accommodate more vehicles at the site as part of its long term growth plan. In addition, 2 hubs have been set up in Bayan Lepas, Penang and Johor Jaya, Johor to better serve the markets in the northern and southern regions, respectively.

Apart from the physical infrastructure development, MUV Marketplace also unveiled its new brand ("MUV"), tagline ("Dare to Move"), as well as its new website during the year. A new mobile app (which is available on both Apple and Google app stores) was also launched to facilitate an even user friendlier process for buying and selling used vehicles through smartphones. Other enhancements to the existing software infrastructure were also introduced to improve operational efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

To cater for growth, MUV Marketplace had incurred higher costs in the form of increased headcount, IT expenses and depreciation of capital expenditures in 2016. These are gestation costs which are necessary for a growth stage business to make further inroads into the market.

Also included in the segmental results of "Others" are the Group's share of profits of the joint venture companies namely, Wacoal Malaysia Sdn Bhd ("Wacoal Malaysia") and Shiseido Malaysia Sdn Bhd ("Shiseido Malaysia"). Their revenues were not consolidated with the Group revenue as joint ventures companies are accounted using equity method of accounting. In any case, despite the challenging consumer market environment, the revenues of both companies increased compared with prior year. However, the Group's total share of profits decreased to RM1.6 million from RM1.8 million in prior year primarily due to the impact of unfavourable foreign exchange rates arising from the weaker Ringgit, and higher selling and distribution expenses.

During the year, Wacoal Malaysia saw the opening of 4 new boutique outlets, namely in Freeport A'Famosa, IOI City Mall, Sunway Pyramid and Sunway Velocity. This was in line with the plan to expand Wacoal Malaysia's sales channels as well as to offer consumers a wider range of merchandises and an enhanced shopping experience.

In addition, in October 2016, Isetan opened its new concept specialty store named "Isetan the Japan Store Kuala Lumpur" in Lot 10. The said specialty concept store, the first in the world, showcases Japanese culture, technology, and lifestyle designs through a carefully curated selection of brands, products and services. It is an honour for Wacoal Malaysia to be in the exclusive company of organisations promoting exceptional Japanese products and services in this specialty store.

Shiseido Malaysia's range of skincare and make-up products particularly under the brands of NARS and Cle de Peau continued to do well, achieving higher sales in 2016 compared with 2015. The improvement in sales was contributed by inter alia higher tourist sales particularly to Chinese tourists. The higher revenue from NARS sales in 2016 was also due to the full year contributions from its boutique outlets in Mid Valley Megamall and Kuala Lumpur City Centre which were opened in May 2015 and September 2015, respectively.

As in previous years, Shiseido Malaysia continued to bring in the latest lines of beauty products released by its portfolio brands to the Malaysian market throughout 2016. These included Shiseido's groundbreaking White Lucent range of skincare, Rouge Rouge lipstick collection, Synchro Skin Lasting Liquid Foundation, Synchro Skin Glow Cushion Compact, Ever Bloom Eau de parfum, NARS Velvet Matte Skin Tint, Joico Lumishine colouring range, and Senka Perfect Whip, Japan's No. 1 cleanser, just to name a few.

Globally, 2016 was a significant year for Shiseido as the 144-year old business embarked on a major brand overhaul across its 88 operating markets; setting a refreshed brand philosophy of empathy, conveying the message that Shiseido aims to be the means for women to feel good about themselves and to show respect and appreciation of each other's beauty. The revamped logo, "Shiseido, Ginza, Tokyo" was designed to reflect a mix of heritage and modernity in which Ginza, Tokyo where Shiseido originated from is recognised.

Prospects

We anticipate the outlook for 2017 to remain challenging. Both consumer sentiment and business confidence remain weak. Accordingly, we expect the market to adopt a cautious approach in spending. In addition we foresee the Ringgit to remain under pressure in view of the global uncertainties particularly in relation to the United States' economic and fiscal policies, and Brexit negotiations in Europe. These factors are likely to weigh on our businesses.

However, the slew of infrastructure-related projects in the country may offer some silver lining to our Machinery, Automotive and Car Rental business segments. These include inter alia the East Coast Rail Line and the construction and upgrade of 616 km of roads and bridges as announced during the 2017 Budget, as well as projects already in the works such as the Pan Borneo Highway, Mass Rapid Transit 2, Tun Razak Exchange, High Speed Rail and Petronas' Refinery and Petrochemical Integrated Development. We hope to capitalise on these opportunities to supply machineries and vehicles to contractors and consultants for these infrastructure projects.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

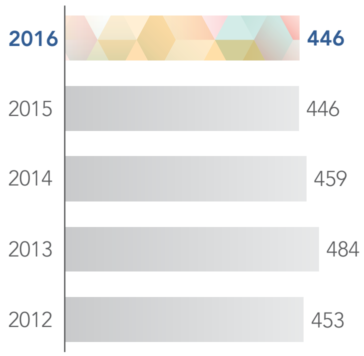
In addition, to adapt to the economic conditions, the Group will place an even greater emphasis on productivity improvements and cost control to drive costs down. Concurrently, sales and marketing initiatives will be intensified to go after profitable opportunities.

To sustain our businesses for the long term, we will continue to invest in new geographic markets and technology. In this regard, we anticipate our newly incorporated associate company in Thailand, Mayflower Saha (Thailand) Co., Ltd to commence business in 2017 upon obtaining the business licence. We anticipate that as a new start-up in Thailand, the company will require a reasonable gestation to break into the market. However, we are positive on the long term prospect of this investment, which is a significant milestone in Mayflower Travel's transformation to be a regional travel and tours player, having already established its presence in Cambodia in 2015.

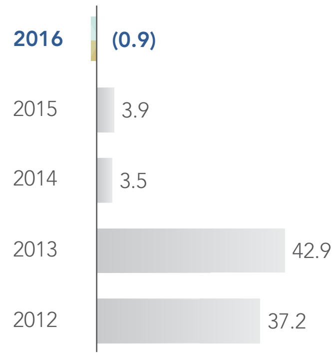
On the technology front, newly acquired and developed technologies such the GoCar car rental app and MUV Marketplace's e-bidding system will be fully exploited to improve customer experience and consequently customer loyalty. The world is rapidly evolving in the application of technology, in particular the internet, as more tech-savvy millennials come to the fore in the marketplace. Accordingly, we believe it is imperative that we continue to keep pace with the evolution of technology to future proof our businesses for generations to come.

FINANCIAL CHARTS

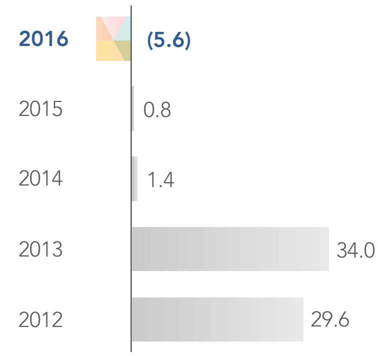
REVENUE
(RM Million)



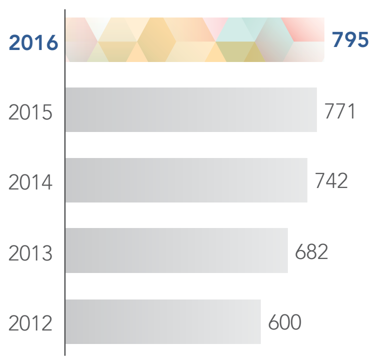
PROFIT BEFORE TAX
(RM Million)



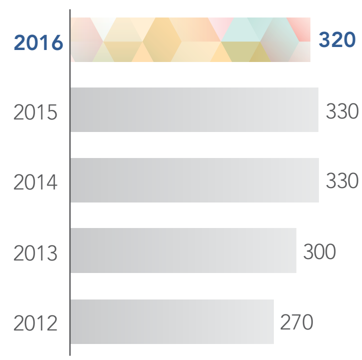
PROFIT AFTER TAX
(RM Million)



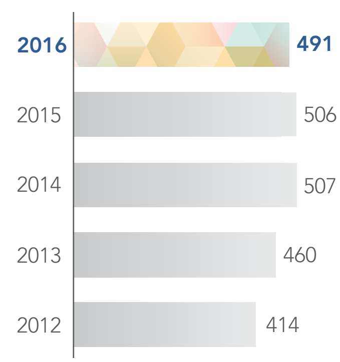
TOTAL ASSETS
(RM Million)



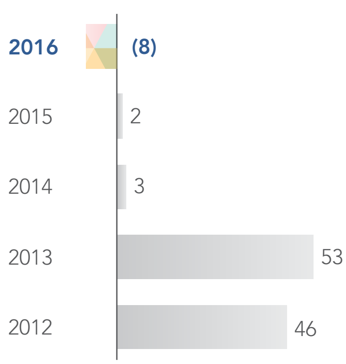
SHAREHOLDERS' FUND
(RM Million)



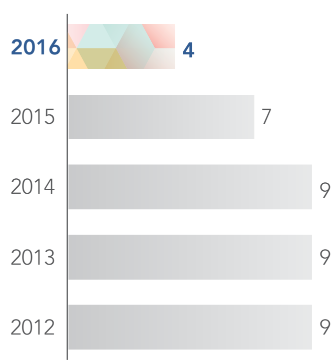
NET ASSETS PER SHARE
(Sen)



EARNINGS PER SHARE
(Sen)



NET DIVIDEND PER SHARE
(Sen)



Note: 2012 to 2013 numbers have been restated to incorporate the adoptions of new Standards, Amendments and Issue Committee Interpretations of the Malaysian Accounting Standards Board.

5-YEAR FINANCIAL HIGHLIGHTS

	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	2016 RM'000
RESULTS					
Revenue	453,199	483,662	459,304	445,943	**446,116**
Profit/(Loss) before tax	37,244	42,907	3,485	3,938	**(863)**
Taxation	(7,597)	(8,904)	(2,078)	(3,143)	**(4,778)**
Profit after tax	29,647	34,003	1,407	795	**(5,641)**
Attributable to:					
Shareholders of the Company	29,651	34,221	1,784	1,185	**(5,037)**
Non-controlling interests	(4)	(218)	(377)	(390)	**(604)**
FINANCIAL POSITION					
Assets					
Property, plant and equipment	207,213	202,159	263,636	274,482	**308,417**
Investment property	33,100	42,600	44,500	45,800	**45,800**
Investment in an associate	-	-	-	-	**148**
Investments accounted for using the equity method	29,704	31,727	32,177	33,473	**34,007**
Other investments	10	10	10	10	**10**
Finance lease receivables	4,395	3,471	5,607	2,364	**3,793**
Deferred tax assets	548	734	1,328	1,749	**2,522**
Intangible assets	9,131	9,131	9,131	9,131	**11,584**
Other receivable	-	-	-	-	**561**
Total non-current assets	284,101	289,832	356,389	367,009	**406,842**
Currents assets	316,349	392,169	385,287	403,783	**388,419**
Total Assets	600,450	682,001	741,676	770,792	**795,261**
Equity					
Share capital	67,200	67,200	67,200	67,200	**67,200**
Share premium	615	615	615	615	**615**
Reserves	206,232	236,112	266,327	266,111	**256,330**
Treasury shares	(4,128)	(4,201)	(4,206)	(4,209)	**(4,210)**
Total equity attributable to owners of the Company	269,919	299,726	329,936	329,717	**319,935**
Non-controlling interests	400	182	(195)	(585)	**(1,021)**
Total equity	270,319	299,908	329,741	329,132	**318,914**
Non-current liabilities	80,294	62,225	80,413	81,106	**91,632**
Current liabilities	249,837	319,868	331,522	360,554	**384,715**
Total Equity and Liabilities	600,450	682,001	741,676	770,792	**795,261**
FINANCIAL STATISTICS					
Basic (loss)/earnings per share (sen)	45.52	52.55	2.74	1.82	**(7.74)**
Dividend per share (net of tax) (sen)	9.0	9.0	9.0	7.0	**4.0**
Net assets per share (sen)	414	460	507	506	**491**
Return on shareholders' equity (%)	11.0%	11.3%	0.4%	0.2%	**-1.8%**
Net debt/Equity (%)	47.1%	51.9%	57.6%	63.4%	**69.9%**

Note: 2012 numbers have been restated to incorporate the adoptions of new Standards, Amendments and Issue Committee Interpretations of the Malaysian Accounting Standards Board.

PROFILE OF DIRECTORS

DATO' TAN HENG CHEW *JP, DJMK*
President

Dato' Tan Heng Chew, aged 70, 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 has been changed to President effective 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 a major shareholder of the Company. He is a 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 six (6) Board Meetings held in 2016.

TAN KENG MENG
Chief Executive Officer

Mr Tan Keng Meng, aged 58, a Malaysian, male, was appointed to the Board 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 Division of the Group since October 2015.

Mr Tan also sits on the Boards of several subsidiaries of Tan Chong Motor Holdings Berhad, namely Edaran Tan Chong Motor Sdn Bhd and Tan Chong Industrial Equipment Sdn Bhd. He has held senior management positions for more than 18 years with extensive Malaysian and international experience. Prior to joining the Group, he was the Group CEO/Director of Tasek Corporation Berhad, a public company listed on Bursa Malaysia Securities Berhad. He was previously 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 six (6) Board Meetings held in 2016.

PROFILE OF DIRECTORS
cont'd

CHIN TEN HOY
Senior Vice-President, Mayflower Group

Mr Chin Ten Hoy, aged 60, a Malaysian, male, was appointed to the Board on 29 November 2016 as an Executive Director and carries a corporate title of Senior Vice-President, Mayflower Group.

Mr Chin holds a MBA in Tourism & Hospitality Management from the Tourism Institute of Australia/Asia e-University and has more than 28 years of experience in the travel and hospitality industry; general management of properties development & acquisition and financial & audit management.

In 2001, Mr Chin joined Mayflower American Express Travel Services Sdn Bhd ("MAE") (now known as Mayflower Corporate Travel Services Sdn Bhd) as General Manager overseeing its corporate travel business in Malaysia. Prior to joining MAE, he served as a Senior General Manager for Mansfield Travel Sdn Bhd, a company under The KAB Group Berhad ("KAB") Group, where he was responsible for the financial and general management of corporate travel and car rental operations. Mr Chin began his career in 1988 with KAB as Internal Auditor and had served in KAB for 8 years holding senior positions in the areas of travel, properties development and management.

Currently, Mr Chin is the Chief Executive Officer of Mayflower Car Rental and Travel Division of the Group, taking charge of the entire travel and car rental business operation (locally and overseas).

Mr Chin did not attend any Board Meeting held in 2016 as he was appointed to the Board on 29 November 2016, i.e. the last Board Meeting of the Company for 2016.

DATO' CHONG KWONG CHIN *JP, DIMP*
Independent Non-Executive Director

Dato' Chong Kwong Chin, aged 64, a Malaysian, male, was appointed to the Board on 3 March 2008. He is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of Nominating Committee.

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

Dato' Chong attended all the six (6) Board Meetings held in 2016.

PROFILE OF DIRECTORS
cont'd

DATO' SEOW THIAM FATT *DIMP*
Independent Non-Executive Director

Dato' Seow Thiam Fatt, also known as Dato' Larry Seow, aged 76, a Malaysian, male, was appointed to the Board on 26 July 2002. He is an Independent Non-Executive Director and a member of the Audit Committee and Nominating Committee.

Dato' Seow is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators and past Fellow of the Institute of Chartered Accountants in Australia. He is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants ("MICPA"). He is a past President of MICPA and also served four (4) years as a government appointed Independent Director of the previous Kuala Lumpur Commodities Exchange (KLCE). He is a past Council Member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and is currently the Chairman of its Audit Committee.

He has more than 20 years' professional experience as a former Partner in the accounting firms of Larry Seow & Co., Moores & Rowland and Arthur Young. He diverted from professional practice in 1994 and thereafter held various senior positions in the private and public sectors, including his position as General Manager of the Financial Reporting Surveillance and Compliance Department of the Securities Commission of Malaysia.

Dato' Seow is also an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad and AmMetLife Insurance Berhad, and the Independent Non-Executive Chairman of Sersol Berhad. He was an Independent Non-Executive Director of Affin Investment Bank Berhad from April 2004 to September 2011 and a past Independent Non-Executive Director of ING Insurance Berhad and ING Funds Berhad. He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Seow attended all the six (6) Board Meetings held in 2016.

Dato' Seow will not seek re-election as Director of the Company and accordingly, he will retire at the conclusion of the twentieth Annual General Meeting of the Company.

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

Datuk Abdullah bin Abdul Wahab, aged 66, 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. He is the Chairman of Nominating Committee and a member of the Audit Committee.

Datuk Abdullah graduated from the Universiti Sains Malaysia (USM) with a Bachelor of Social Science (Honours) degree in 1976. He was an Administrative Officer at the School of Pharmacy, USM Penang from 1976 to 1980. He started his career at The Parliament of Malaysia as Assistant Secretary in 1980 and subsequently assumed all aspects of administrative functions at The Parliament. In 1999, he was appointed as Secretary to the Senate, and in 2004, he was elevated as Secretary to The Parliament and Secretary to the Dewan Rakyat. He retired from the civil service in 2006.

Datuk Abdullah attended all the six (6) Board Meetings held in 2016.

PROFILE OF DIRECTORS
cont'd

LEE MIN ON
Independent Non-Executive Director

Mr Lee Min On, aged 57, a Malaysian, male, was appointed to the Board on 29 November 2016. He is an Independent Non-Executive Director and a member of the Audit Committee and Nominating Committee.

Mr Lee is a Chartered Accountant of the Malaysian Institute of Accountants, a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Chartered Fellow Member of The Institute of Internal Auditors, Malaysia ("IIAM").

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 to helm the Firm's risk consulting practice, providing, inter-alia, board advisory services that encompassed corporate governance assessment, enterprise risk management and risk-based internal audit for both public 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 ("Bursa"). 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 in 2012. As a strong advocate for good governance and integrity in the market place, Mr Lee regularly speaks at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Control.

He serves as a Non-Executive Director with Coalition for Business Integrity Berhad, an unlisted and not-for-profit organisation that advocates the importance of integrating governance in conducting business, all with the view of raising the bar on corporate governance and integrity in the market place. He also sits as an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, APM Automotive Holdings Berhad, Kotra Industries Berhad and an audit committee member of IIAM.

Mr Lee did not attend any Board Meeting held in 2016 as he was appointed to the Board on 29 November 2016, i.e. the last Board Meeting of the Company for 2016.

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 any business arrangement involving the Company.

The above Directors have not been convicted of any offence within the past five (5) years other than traffic offences, 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 Warisan TC Holdings Berhad ("Warisan") Group comprises Dato' Tan Heng Chew - President, Mr Tan Keng Meng - Chief Executive Officer, Mr Chin Ten Hoy - Senior Vice-President, Mayflower Group, whose profiles are included in the Profile of Directors on pages 16 to 19 in the Annual Report 2016, and the following senior management personnel:

MICHAEL WONG CHUNG HAU

Chief Financial Officer

Mr Michael Wong Chung Hau, aged 51, a Malaysian, male, joined Warisan Group as Senior General Manager (Corporate Planning) in February 2014 and was subsequently appointed as Chief Financial Officer of Warisan in May 2015.

Mr Michael Wong graduated with a Bachelor of Commerce (Honours) from The University of Melbourne, Australia. He is a member of the Malaysian Institute of Accountants, CPA Australia and ICAEW's Corporate Finance Faculty.

He has 28 years of working experience in accounting, corporate finance, auditing and corporate advisory.

NICHOLAS TAN CHYE SENG

Director, MUV Marketplace

Mr Nicholas Tan Chye Seng, aged 43, a Malaysian, male, a Director of MUV Marketplace Sdn Bhd ("MUV Marketplace"). Mr Nicholas Tan established an e-auction platform for used vehicles business in September 2015. Today, MUV Marketplace is a pioneer of the online marketplace for used vehicles with the highest gross merchandise value in transactions.

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

He worked in global investment banks in Kuala Lumpur, Singapore and Hong Kong for 10 years.

Mr Nicholas Tan is a Director of APM Automotive Holdings Berhad, a listed company on the Main Market of Bursa Malaysia Securities Berhad.

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

PHUA KHIM HIANG

General Manager, Mayflower Car Rental Division

Mr Phua Khim Hiang, aged 44, a Malaysian, male, joined Warisan Group as Assistant Finance Manager in 2003 and was promoted to Finance Manager in 2004 taking charge of accounting and finance of Mayflower Acme Tours Sdn Bhd (now known as Mayflower Car Rental Sdn Bhd). He was subsequently transferred to the Business Development Division in 2009 responsible for the business expansion of Mayflower Group.

Currently, he is overseeing the regional business activities and business expansion of Mayflower Car Rental business.

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

He has 21 years of working experience in accounting, finance, travel and car rental.

PROFILE OF KEY SENIOR MANAGEMENT
cont'd

SOO YIP KHOON
Senior General Manager, Mayflower Regional Travel Division

Mr Soo Yip Khoon, aged 53, a Malaysian, male, joined Warisan Group in August 1993 and was promoted to Senior General Manager, Travel Division on 1 January 2014.

Mr Soo completed his Sijil Pelajaran Malaysia and has more than 25 years of experience in travel industry and oversees the Group's travel business in Indo China, Thailand and East Malaysia.

CHIN YEN SONG
General Manager, Mayflower Corporate Travel Division

Ms Chin Yen Song, aged 43, a Malaysian, female, joined Warisan Group as Finance Manager in 2003 and was promoted to Deputy General Manager and General Manager in January 2011 and July 2015 respectively. She was tasked to undertake the current role in 2010 to oversee the corporate travel business of Mayflower Corporate Travel Services Sdn Bhd. She is responsible for business development and retention, and to drive customer service excellence.

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 Warisan Group, Ms Chin worked in Singapore for more than 10 years in telecom and manufacturing companies as Accountant.

CHALORAJU A/L SUBRAMANIAM
Senior General Manager, Machinery Division (East Malaysia)

Mr Chaloraju A/L Subramaniam, aged 56, a Malaysian, male, joined Warisan Group in 1987 and was promoted to Senior General Manager in 2014. He oversees the business operation of industrial machinery and after-sales services in East Malaysia.

Mr Chaloraju holds a Diploma in Heavy Machinery from the Institut Latihan Perindustrian. He has more than 25 years of experience in heavy machinery products and services management.

LEE KING SOON
General Manager, Light Machinery Division

Mr Lee King Soon, aged 53, a Malaysian, male, joined Warisan Group in 1997 as Senior Manager-Finance in charge of accounting and finance. He was promoted to Deputy General Manager in 2008 and subsequently as General Manager in 2013. In May 2015, he was transferred to head the sales and marketing of light industrial machinery business.

Mr Lee is a graduate from TAR College with an advance Diploma in Financial Accounting. He is also a Chartered Accountant and a Fellow Member of the Association of Chartered Certified Accountants.

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

PROFILE OF KEY SENIOR MANAGEMENT
cont'd

LIM KAAI BOON
Deputy General Manager, Heavy Machinery Division

Mr Lim Kaai Boon, aged 58, a Malaysian, male, joined Warisan Group as Product Manager in March 2010 and was promoted to Senior Manager and Deputy General Manager in July 2013 and January 2014 respectively. Mr Lim is responsible for the heavy machinery business operation in West Malaysia.

Mr Lim graduated with a Bachelor of Science Degree (major in Mechanical Engineering) from Salford University, United Kingdom.

He has more than 25 years experience in construction, quarrying and mining industries including servicing and parts business.

NG KIAT SENG
Senior General Manager, Automotive Division

Mr Ng Kiat Seng, aged 54, a Malaysian, male, joined Warisan Group in April 2014 as Senior General Manager taking charge of sales and marketing function of automobile business.

Mr Ng completed his Sijil Pelajaran Malaysia and has more than 35 years of experience in automotive industry. Prior to joining Angka-Tan Motor Sdn Bhd, he was the Product Head of the Bus Division of Tan Chong Industrial Equipment Sdn Bhd, a subsidiary of Tan Chong Motor Holdings Berhad.

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.

CORPORATE GOVERNANCE STATEMENT

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

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

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

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

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

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

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

I Board Charter

The Company has established a Board Charter ("Charter") which outlines the Board's roles and responsibilities. This Charter is periodically reviewed by the Board to be in line with the regulatory changes and to reflect recent changes made to the terms of reference of the Board Committees. The Charter was last reviewed on 24 February 2017 and the changes thereof approved by the Board.

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

Key matters reserved for the Board include, inter-alia, the approval of annual budgets 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 clearly set out in the Charter, which serves as a reference point for Board activities. The Charter provides guidance for Directors and

CORPORATE GOVERNANCE STATEMENT
cont'd

Management regarding the responsibilities of the Board, its Committees, the Board Chairman and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The salient features of the Charter are publicly available on the Company's website at www.warisantc.com in line with Recommendation 1.7 of the MCCG 2012.

The Management, comprising Executive Directors and Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which include, inter-alia, the achievement of Company's goals and observance of Management authorities delegated by the Board, developing business plans to enable the Company's requirements for growth, profitability and return on capital to be achieved, ensuring cost effectiveness in business operations, overseeing development of human capital and ensuring members of the Board have the information necessary to perform their fiduciary duties and other governance responsibilities.

II Code of Ethics

The Board has formalised a Directors' Code of Ethics setting out the standards of conduct expected from Directors. The Directors' Code of Ethics is contained in Appendix A of the 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 Conduct for employees, which has been communicated to all levels of employees in the Group.

The Board has also formalised a Special Complaint Policy, which is equivalent to a whistle-blowing policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. Under the said Policy, a hotline is made available for employees to report any alleged or suspected fraud, corruption or non-compliance with the Code of Conduct for employees, governance documents and laws and regulations directly to the Group's Compliance Officer. The Investigative Functions team is tasked to commence investigation upon receiving mandate from the Group's Compliance Officer. All investigative reports are tabled to the Governing Committees for deliberation and decision on the next course of action to be taken and significant cases are reported to the Audit Committee for further deliberation.

III Sustainability of Business

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

The Group's activities on corporate social responsibilities for the financial year under review are disclosed on pages 41 to 42 of this Annual Report.

IV Access to Information and Advice

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

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

CORPORATE GOVERNANCE STATEMENT
cont'd

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. The performance of the Company Secretaries is evaluated by the Board Chairman annually and both of the Company Secretaries who are members of good standing in their professional body i.e the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") are required to meet prescribed continuing professional education criteria of MAICSA in order to be apprised of changing regulatory requirements.

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD

The Board is cognisant of the need to refresh its members and, accordingly, has, on 29 November 2016, appointed an additional Independent Non-Executive Director, Mr Lee Min On and an Executive Director, Mr Chin Ten Hoy. As at the end of the financial year, the Board consists of seven (7) members, comprising three (3) Executive Directors and four (4) Independent Non-Executive Directors. The composition of the Board fulfills the requirements as set out under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering, finance, accounting and audit, legislative and administration, corporate governance and risk management as well as marketing and operations. The profile of each Director is set out on pages 16 to 19 of this Annual Report.

I *Nominating Committee – Selection and Assessment of Directors*

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

- Datuk Abdullah bin Abdul Wahab (Chairman and Senior Independent Non-Executive Director);
- Dato' Seow Thiam Fatt (Independent Non-Executive Director);
- Dato' Chong Kwong Chin (Independent Non-Executive Director); and
- Lee Min On (Independent Non-Executive Director, appointed on 29 November 2016).

Specific terms of reference, stipulated by the Board for the Nominating Committee cover, inter-alia, assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees and training programmes for the Board. In the Board nomination and election of new Director, the Nominating Committee is tasked to conduct the requisite evaluation and assessment of the candidate's ability to discharge his duty effectively and efficiently, prior to making the recommendation to the Board for its approval. The Board and Nominating Committee are guided by the following process and procedures for nomination of new candidates:

Recommendation of prospective candidates by Board Members	→	Evaluation by Nominating Committee	→	Recommend for Board's consideration and approval, if candidates are found suitable	→	Board's Deliberation and Decision

(Diagram A)

CORPORATE GOVERNANCE STATEMENT
cont'd

The Nominating Committee is entrusted to review annually the required mix of skills and experience of Directors, succession plans and board diversity, including gender diversity, training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Nominating Committee is also tasked to assess annually the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director.

The Company has formalised in writing a Board Diversity Policy, which set out the approach to diversity on the Board. This Policy is contained in the Charter which is published on the Company's website. Insofar as board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates nor a policy on diversity in ethnicity and age. The Company's strategic intent for board diversity is the attraction, retention and development of a diverse team of skilled talents towards delivering the Company's imperatives. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity, experience and other qualities in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

Pursuant to its Terms of Reference, the Nominating Committee meets at least once a year or more frequently as deemed necessary by the Nominating Committee Chairman. During the financial year under review, the Nominating Committee held two (2) meetings, attended by all members. At the meetings, the Nominating Committee considered the outcome of the self and peer assessment of the Board, Board Committees and individual Directors in respect of their performance for the financial year ended 31 December 2015 including the independence of Independent Non-Executive Directors, as well as recommendation on the appointment of new Executive Director and Independent Non-Executive Director of the Company. On the appointment of the new Directors, the Board and Nominating Committee followed the above process and procedures as shown in the above Diagram A. The Nominating Committee has considered, amongst others, the candidates' skills, knowledge, expertise and experience, performance, character, professionalism and integrity, number of directorships and other external obligations which may affect the candidates' commitment, including time commitment and value contribution before recommending to the Board for its approval. The Board having considered the recommendations of the Nominating Committee approved the appointment of Mr Chin Ten Hoy and Mr Lee Min On as Executive Director and Independent Non-Executive Director of the Company respectively on 29 November 2016. The Nominating Committee also reviewed and recommended the renewal of Service Contract of an Executive Director to the Board for approval. Based on the Nominating Committee's recommendation, the Board approved the said renewal of Service Contract.

On 24 January 2017, the Nominating Committee met to review and assess the effectiveness of the Board as a whole, the Board Committees and the performance of individual Directors as well as the independence of the Independent Non-Executive Directors in respect of the financial year ended 31 December 2016 based on a self and peer assessment approach. In assessing the Individual Directors' performance, the Nominating Committee considered, inter-alia, the contribution, performance, competency, personality, integrity and time commitment of each Director to effectively discharge his role as a Director of the Company. From the results of the assessment, including the mix of skills and experience possessed by the Directors, and based on the Nominating Committee's recommendation, the Board recommended the re-election of retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). The areas for assessment of Board Committees covered, inter-alia, their composition, expertise and time commitment in discharging their roles and responsibilities as outlined in their respective Terms of Reference. The Nominating Committee also assessed the training needs of the Directors to enhance their competencies and ensure that they are kept abreast of all regulatory changes and developments in the market place.

II Directors' Remuneration

The Board is of the view that the existing remuneration guidelines formulated by drawing upon the wealth of experience of all the Directors on the Board is more effective and therefore, a Remuneration Committee is dispensed with. The Board, as a whole, determines and recommends the remuneration of Independent Non-Executive Directors and Executive Directors. All the Directors abstained from discussions on their individual remuneration.

The remuneration policy of the Group essentially seeks to attract, retain and motivate employees of all levels, including Executive Directors, to contribute positively towards the Group's performance.

CORPORATE GOVERNANCE STATEMENT
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The guidelines on bonus in respect of the financial year ended 31 December 2016 and annual increment for 2017 in respect of executive employees of the Group were recommended for the Board's approval by the Management. The quantum of annual performance bonus and increment for employees of the Group is dependent on the operating results of the Group, after taking into account the prevailing business conditions and the individual's performance. The same guidelines apply to the Executive Directors.

The aggregate remuneration of the Directors of the Company for the financial year ended 31 December 2016 are as follows:

	*Executive Directors (RM)		Non-Executive Directors (RM)	
	Company	**Group**	**Company**	**Group**
Directors' fee	-	-	182,160	182,160
Salaries and allowances	1,158,828	2,180,681	61,500	61,500
Bonus	374,374	783,170	-	-
Benefits-in-kind	212	21,014	-	-

*(i) *The remuneration paid to the Executive Directors were in respect of their contract of service or employment with the Company/Group.*

(ii) *Mr Tan Keng Meng (Chief Executive Officer) received his remuneration from TC Management Services Corporation Sdn Bhd, a corporation which provided management services to the Company.*

Range of remuneration	**Executive**	**Non-Executive**
RM0 to RM50,000	-	1
RM50,001 to RM100,000	-	3
RM550,001 to RM600,000	1	-
RM900,001 to RM950,000	1	-
RM1,500,001 to RM1,550,000	1	-

PRINCIPLE 3 – REINFORCE INDEPENDENCE OF THE BOARD

The Company is led by an experienced Board with a diverse background in business and financial experience, and skills which are vital for the continued progress and success of the Group.

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

While the position of the Chairman is not held by an Independent Non-Executive Director, the Board has four (4) Independent Non-Executive Directors, constituting more than fifty percent (50%) of the composition of the Board. The Board acknowledges the importance of balance of power and authority of the Board and has identified Datuk Abdullah bin Abdul Wahab as the Company's Senior Independent Non-Executive Director, to whom concerns of fellow Directors, shareholders and other stakeholders may be conveyed.

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

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

The Nominating Committee assesses the independence of its Independent Non-Executive Directors based on criteria set out in paragraph 1.01 of the Listing Requirements of Bursa. The Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director and thereafter he may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as an Independent Non-Executive Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Nominating Committee is required to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence as adopted by the Board. In the assessment of Directors' independence for the financial year under review, the Nominating Committee concluded that all the Independent Non-Executive Directors have satisfied the independence criteria as set out in the Listing Requirements of Bursa and each of them is able to provide independent judgement and act in the best interest of the Company.

Dato' Chong Kwong Chin, Datuk Abdullah bin Abdul Wahab and Dato' Seow Thiam Fatt have each served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. Dato' Seow Thiam Fatt has indicated his intention to retire at the forthcoming AGM of the Company.

Following an assessment and recommendation by the Nominating Committee, the Board recommended that Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab who have both served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years as at date of this Annual Report, be retained as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming AGM of the Company. Key justifications for retaining them as Independent Non-Executive Directors are as follows:

(i) they fulfil the independence criteria set out in the Main Market Listing Requirements of Bursa and, therefore, are able to bring independent and objective judgement to the Board on matters deliberated;
(ii) their relevant experience and expertise in accounting, audit, legislative and administrative aspects would enable them to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contributions and competence;
(iii) with their deep insight and knowledge of the businesses, operations and strategies of the Group, they have been contributing actively and effectively during deliberations at meetings of the Board and Board Committees;
(iv) they devote sufficient time and exercise due care as Independent Non-Executive Directors of the Company and carry out their duties diligently in the interest of the Company and shareholders; and
(v) from their perfect attendance record at Board and Board Committee meetings, it is demonstrable of their commitment towards the Company's needs.

PRINCIPLE 4 – FOSTER COMMITMENT OF DIRECTORS

The Board meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committee papers, which are prepared by Management, provide the relevant facts and analysis for the reference of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committee members at least seven (7) days before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major strategic, operational and financial issues. All pertinent issues discussed at Board and Board Committee meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings. During the financial year under review, the Board convened six (6) Board meetings attended by all the Directors except for Mr Chin Ten Hoy and Mr Lee Min On who were appointed to the Board on 29 November 2016 as there was no board meeting held subsequent to their appointment.

CORPORATE GOVERNANCE STATEMENT

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As stipulated in the Charter, the Directors are required to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board or Board Committees. To further foster commitment by Directors towards the Company, the Charter also stipulates that Directors shall not sit on the boards of more than five (5) listed issuers, and before accepting any new directorship, Directors are required to notify the Chairman, the notification of which includes an indication of time that will be spent on the new appointment.

Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group. The Company Secretaries normally circulate the relevant circulars and guidelines on statutory and regulatory requirements from time to time for the Board's reference.

Except for Mr Lee Min On who was appointed on 29 November 2016, all Directors have completed the Mandatory Accreditation Programme ("MAP") as required by the Listing Requirements of Bursa. Mr Lee Min On will be attending the MAP on 6 and 7 April 2017 of which Bursa has granted an extension of the prescribed timeline. During the financial year under review, all Directors attended seminars and training programmes. The continuous education programmes attended/ participated by the Directors during the financial year ended 31 December 2016 are as follows:

Name of Director	***Details of Programme***
Dato' Tan Heng Chew	• Tan Chong Education Services Sdn Bhd: Dato' Tan Heng Chew Distinguished Speaker Series - Cultural Alignment as A Source of Competition Advantage • Zaid Ibrahim & Co: Briefing on Companies Bill 2015 • KPMG: MFRS 15 - Revenue from Contracts with Customers
Tan Keng Meng	• Zaid Ibrahim & Co: Briefing on Companies Bill 2015 • KPMG: MFRS 15 - Revenue from Contracts with Customers
Dato' Seow Thiam Fatt	• Ambank Group: Briefing on Competition Law • Bursa Malaysia: Ring the Bell for Gender Equality • Financial Institutions Directors' Education ("FIDE"): Dialogue on Directors' and Officers' Liability Insurance • FIDE: Briefing on Directors' Register Implementation • FIDE: Avoiding Financial Myopia • CG Board Asia Pacific Sdn Bhd: Financial Hidden in Plain Sight - Why Directors and Management Need to Ask Hard Questions • Bursa Malaysia, Malaysian Institute of Accountants and The Malaysian Institute of Certified Public Accountants: CG Breakfast Series with Directors - "Future of Auditors Reporting - The Game Changer for Boardroom" • Tan Chong Education Services Sdn Bhd: Dato' Tan Heng Chew Distinguished Speaker Series - Cultural Alignment as A Source of Competition Advantage • Zaid Ibrahim & Co: Briefing on Companies Bill 2015
Datuk Abdullah bin Abdul Wahab	• Bursa Malaysia: CG Breakfast Series - Improving Board Risk Oversight Effectiveness • Malaysian Institute of Accountants ("MIA"): Audit Committee Conference 2016 • Zaid Ibrahim & Co: Briefing on Companies Bill 2015 • Bursa Malaysia: Risk Management Programme for Audit and Risk Committee - I Am Ready to Manage Risks

CORPORATE GOVERNANCE STATEMENT
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Name of Director	*Details of Programme*
Dato' Chong Kwong Chin	• Zaid Ibrahim & Co: Briefing on Companies Bill 2015 • Chartered Tax Institute of Malaysia: National Tax Conference 2016 • MIA International Accountants Conference 2016
Lee Min On (Appointed on 29 November 2016)	• Farm's Best Berhad: The Draft Malaysian Code on Corporate Governance 2016 & Changes to Listing Requirements • MeLearn Global: The Draft Malaysian Code on Corporate Governance 2016 - Key Changes & Implications to Listed Issuers • Alam Maritim Resources Berhad: Companies Act 2016 - Key Changes & Their Implications to the Company's Business Structure & Administration • Malaysian Investor Relations Association: Management Discussion & Analysis - Drafting the MD&A - What & How to Disclose • Malaysian Institute of Corporate Governance: Sustainability Reporting - How to go about the intricacies of reporting • LeadWomen Sdn Bhd: Integrity in Boardrooms - Are Boards playing their role? Fraud Risk Management - Whose responsibility is it? • Malaysian Investor Relations Association: Sustainability Reporting (conducted for SAM Engineering & Equipment Berhad in Penang) (participated as speaker)
Chin Ten Hoy (Appointed on 29 November 2016)	• Zaid Ibrahim & Co: Briefing on Companies Bill 2015

During the financial year, the Chief Financial Officer and External Auditors also briefed the Board members on changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING BY THE COMPANY

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the President's Statement and Management Discussion & Analysis Statement in the Annual Report, where relevant.

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

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Independent Non-Executive Directors, with Dato' Chong Kwong Chin as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities as well as a summary of its activities carried out in 2016 are set out in the Audit Committee Report on pages 33 to 36 of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965, as the case may be. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

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

CORPORATE GOVERNANCE STATEMENT
cont'd

The Board, through the Audit Committee, maintains a transparent and professional relationship with the external auditors. The Audit Committee is responsible for the annual review and assessment of the suitability and independence of the external auditors for re-appointment. This annual review and assessment is carried out via assessment questionnaire. In assessing the external auditors' performance, the Audit Committee considered, inter-alia, the technical competencies, independence, objectivity, professionalism, quality of services, sufficiency of resources and communication and interaction with the external auditors. Feedback is also obtained from senior management on the performance and quality of work delivered by the external auditors.

Being satisfied with the external auditors' performance, technical competence and audit independence, the Audit Committee recommended to the Board the re-appointment of Mazars PLT as external auditors for the financial year ending 31 December 2017. Based on the Audit Committee's recommendation, the Board recommended the re-appointment of the external auditors for approval by the shareholders at the forthcoming AGM of the Company.

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

The external auditors attended three (3) Audit Committee meetings and AGM of the Company during the financial year under review. In addition, the Audit Committee also had two (2) separate sessions with the external auditors without the presence of Executive Board members and management personnel to exchange independent views on matters which require the Audit Committee's attention.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS OF THE GROUP

The Board has established an Enterprise Risk Management ("ERM") framework to identify, evaluate and manage significant risks faced by the Group in its operations. For effective implementation of the ERM framework, the Board has formed a Risk Management Committee, chaired by an Executive Director and comprises key management personnel from the respective business divisions. The Risk Management Committee reports to the Board, via the Audit Committee, on key risks identified and the implementation of action plans to mitigate the risks to acceptable levels. More details of the ERM framework and its associated initiatives undertaken by the Risk Management Committee during the financial year under review are set out in the Risk Management and Internal Control Statement included in this Annual Report.

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Board has established an in-house Group Internal Audit ("GIA") function, which reports directly to the Audit Committee on the adequacy and operating effectiveness of the Group's system of internal controls from the perspectives of governance, risks and controls. All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors. The GIA function is independent of the activities it audits and the scope of work covered by the GIA during the financial year under review is mentioned in the Audit Committee Report, set out on pages 33 to 36 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT
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PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to regulators, shareholders and stakeholders. Accordingly, the Board has formalised in writing the Corporate Disclosure Policies and Procedures to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, and set out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders. In formulating such policies, the Board took into consideration the Corporate Disclosure Guide issued by Bursa in 2011.

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

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

I Shareholder participation at general meeting

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the last AGM, the Chairman informed the shareholders of their rights to demand a poll for the resolutions in accordance with the Company's Articles of Association. A "Question & Answer" session was also held at the AGM where the Chairman of the meeting invited shareholders to raise questions with responses from the Board and Senior Management.

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

II Communication and engagement with shareholders and investors

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

This Statement is dated 5 April 2017.

AUDIT COMMITTEE REPORT

The Board of Directors of Warisan TC Holdings Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2016.

COMPOSITION AND MEETINGS

The Audit Committee ("Committee") was established on 1 November 1999. The current composition of the Committee and the attendance of its members at the six (6) meetings held during the financial year are set out below:

Name	Designation	Attendance
Dato' Chong Kwong Chin *Independent Non-Executive Director*	Chairman	6/6
Dato' Seow Thiam Fatt *Independent Non-Executive Director*	Member	6/6
Datuk Abdullah bin Abdul Wahab *Independent Non-Executive Director*	Member	6/6
Lee Min On (Appointed on 29 November 2016) *Independent Non-Executive Director*	Member	-*

*Note: * There was no Committee Meeting held subsequent to 29 November 2016.*

The Committee meetings are structured through the use of agendas and relevant board papers which are distributed to the Committee members prior to such meetings. This enables Committee 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 Committee Chairman calls for meetings to be held not less than four (4) times in a year. Any member of the Committee may requisition for a meeting at any time, and the Committee Secretaries, shall on such requisition, arrange with the Committee Chairman 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 a majority of members who are Independent Non-Executive Directors. Meetings are chaired by the Committee Chairman and, in his absence, by an Independent Non-Executive Director from those members who are present. Decision is made by a majority of votes.

The Chief Financial Officer, Head of Internal Audit and the Company Secretaries, who are the Committee Secretaries, normally attend the meetings. Other Board members and employees may attend meetings upon the invitation of the Committee. A representative of the external auditors attends the meeting to consider the final audited financial statements and such other meetings as determined by the Committee.

The Committee Chairman 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 needed to be preserved.

For the financial year under review, the performance of the Committee was evaluated by way of members' self and peer evaluation, the outcome of which was reviewed by the Nominating Committee. Having considered the recommendation made by the Nominating Committee, the Board is satisfied that the Committee members have discharged their functions, duties and responsibilities in accordance with the Committee's Terms of Reference.

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), the Committee's Terms of Reference have been uploaded onto the Company's website at www.warisantc.com.

AUDIT COMMITTEE REPORT
cont'd

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year under review, the Committee worked closely with Management, internal auditors and external auditors to carry out its functions and duties as required under its Terms of Reference.

In discharging its roles and responsibilities based on its Terms of Reference, the Committee carried out the following works during the financial year under review and up to the date of this Report:

(1) Financial Reporting

(a) Reviewed all the four (4) quarter's unaudited financial results of the Group, focusing on key material matters, which included the going concern assumption, and ensured the disclosures thereof were in compliance with the Malaysian Financial Reporting Standards and regulatory requirements before recommending the same to the Board for approval to release the quarterly financial results to Bursa and Securities Commission Malaysia;

(b) Reviewed the annual audited financial statements of the Company and of the Group, together with the external auditors, 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 accounting standards, together with significant matters highlighted in the financial statements.

(2) External and Internal Audit

(a) Reviewed the external auditors' Audit Plan for the Group, which outlined the external auditors' responsibilities, scope of work for the financial year ended 31 December 2016 and their fees;

(b) Discussed and reviewed with the external auditors, the results of their examination and the auditors' reports in relation to audit and accounting issues arising from the audit;

(c) Discussed and reviewed the areas for improvements in the internal control systems of companies in the Group as highlighted by the external auditors, including the steps that need to be taken to address the issues;

(d) Considered the suitability and independence of the external auditors by assessing, among others, the adequacy of their resources, technical knowledge, experience, skills, independence and objectivity, their audit engagement and the competence of the audit team members assigned to the Group. After having assessed the external auditors in February 2017, the Committee was satisfied that the external auditors were able to meet the audit requirements and statutory obligations of the Company and also their independence and objectivity as external auditors of the Company. The Committee recommended to the Board the re-appointment of Mazars PLT as external auditors of the Company at the forthcoming Annual General Meeting ("AGM"). The Board accepted the Committee's recommendation for Mazars PLT's re-appointment as the external auditors at the forthcoming AGM in May 2017;

(e) Held two (2) private sessions with the external auditors without the presence of Executive Directors and Senior Management to discuss the audit findings and any other observations noted by the external auditors during the course of their audit. There were no major concerns raised by the external auditors at the meetings;

(f) Reviewed and approved the annual internal audit plan to ensure adequacy of scope and coverage of the auditable areas, including staffing requirements and ensured high risk areas are covered on a regular basis;

(g) Reviewed the scope to ensure the coverage included internal controls on operations, financial, compliance and information technology processes relating to the Group based on the approved annual internal audit plan;

(h) Discussed and reviewed the major findings, areas requiring improvements and key significant internal audit matters raised by internal auditors and Management's response 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 concerned is entrusted to formulate action plans to improve internal control procedures and workflow processes based on the internal auditors' recommendations; and

(i) Reviewed the performance, competence and effectiveness of the internal audit function.

(3) 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, in relation to the nature and value limits of the transactions, including arm's length terms of trade. In the case of impending related party transactions to be entered into by the Group, the Committee deliberated on the nature of the transactions and ensured proper disclosures were made in line with the Listing Requirements of Bursa.

(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 and Risk Management and Internal Control Statement 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 Terms of Reference of the Committee, which were subsequently approved by the Board;

(c) Reviewed the corporate risks score cards of the Group and endorsed the action plans that were being implemented to mitigate the business risks to acceptable levels; and

(d) Reviewed the report on irregularities and serious misconducts issued by the Group Compliance and ensured that remedial action plans were appropriate.

INTERNAL AUDIT FUNCTION AND ACTIVITIES

The Committee is supported by an in-house Group Internal Audit Department ("GIA"), which reports functionally to the Committee and is independent of the activities it audits. GIA operates under a charter approved by the Committee that gives the internal audit function a formal mandate to carry out its work as well as unrestricted access to 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 units 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 Committee.

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.

AUDIT COMMITTEE REPORT
cont'd

During the financial year under review, GIA performed internal audits that covered the following areas:

1) **Car Rental Division**

- Branch operational activities, including fleet movements and maintenance management, permit management, staff attendance record, invoicing and collection activities; and
- Headquarter finance function, covering credit control management.

2) **Travel Division**

- Outbound tour activities, covering costing and pricing activities, payment processing, collection management, credit note processing, procurement management, and staff travel policy; and
- Inbound tour activities, including credit control management and credit note processing.

3) **Machinery Division**

- Branch operations, including invoicing processing, spare parts stock management, office security and safety;
- Inventory management, sales commission processing, and trade-in activities, covering used machinery at Light and Heavy Machinery Division; and
- Stock take activities on the Light and Heavy Machinery Division.

4) **Consumer Products Division**

- Stock take activities on joint-venture companies, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd.

5) **Automotive Division**

- Stock take activities, covering the assembled vehicles and complete knock down (CKD) parts.

6) **Used Vehicle Auction**

- Auction activities, covering collection and auction management.

7) **Captive Insurance**

- Mandatory audit that covers compliance with laws and regulations, accuracy of reports, premium and claim processing, and risk management process.

8) **RRPTs**

- Review RRPTs to ensure that they are transacted based on arm's length basis.

GIA also carried out follow-up assessments on the status of Management's action plans to ensure prompt resolution of issues and concerns raised in the internal audit reports. The progress of significant issues was tabled to the Committee for review until such matters were satisfactorily resolved.

The GIA also met the Committee to present the special audit findings report without the presence of the Director who was directly responsible for the business unit in the report.

This Report is dated 5 April 2017.

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

Board Responsibility

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, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. In pursuing these objectives, it can only provide reasonable, but not absolute, assurance against material misstatement, financial loss or fraud.

Risk Management Framework and Internal Control System

The Board confirms that there is a continuous process to identify, evaluate and manage the significant risks of the Group in its achievement of objectives and strategies, except for the review of risk management in joint ventures whereby the Group's interest is served through representation on the Board of the joint ventures. The Board also affirms that such 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. Key risks relating to the Group's operations and strategic mission are addressed, evaluated and subsequently tabled and endorsed by the Board.

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

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

- Establishment of a Risk Management Committee ("RMC"), which is headed by an Executive Director and comprises key management personnel from the respective business divisions. The RMC is entrusted with the responsibility to identify and communicate to the Board, through the Audit Committee, the principal business risks that the Group faces, their changes and management action plans to mitigate the risks. Minutes of the RMC meetings are presented to the Audit Committee and the Board for notation;

- Adoption of the Risk Management Oversight Policies and Procedures which outline the risk management framework for the Group and offer practical guidance to operating personnel on risk management issues; and

- Updates on Corporate Risk Scorecards by the heads of business division. The high risks and significant controls are subject to regular reviews.

The RMC is primarily responsible for the establishment of the risk management framework which includes ensuring that risk management processes are adequate and that appropriate action has been or is being taken to reduce identified business risks to an acceptable level across the Group. The risk management process incorporates procedures to identify business risks that are strategic, operational, financial and compliance in nature. The Group continues to foster a risk-aware culture in all decision making and commits to manage business risks in a proactive and effective manner. This is to enable the Group to respond effectively to changing business and competitive environment which are critical for the Group's sustainability, safeguard assets and enhancement of shareholders' value.

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

cont'd

The risk management process within the Group consists of two (2) main stages:

Corporate Stage	• Development of risk management process • Adoption of risk management policies and procedures, including risk parameters, covering financial and non-financial metrics, on the likelihood of risk occurrence and the impact thereof in the event of incurrence. The risk parameters essentially articulate the risk appetite of the Group • Identification of major risk components • Establishment of risk parameters • Assignment of risk custodians • Review of risk assessment summary • Review of risk profile summary • Update of the Group Corporate Risk Scorecard
Process Stage	• Develop and evaluate major risk components • Develop and evaluate major risk profiles • Develop, implement and monitor risk management action plans • On-going management of risk

The implementation of risk management activities at subsidiaries level are carried out by the working group, comprising heads of subsidiaries and selected senior management personnel ("Subsidiary Sub-Risk Committees"), who assists the RMC in managing specific risk areas by taking the appropriate mitigation steps. A Risk Champion is appointed to provide timely risk updates and reports to the RMC and guidance to the Subsidiary Sub-Risk Committees through its appointed Risk Officers to enable a systematic implementation of risk management. The Risk Champion works closely with the Subsidiary Sub-Risk Committees to strengthen the risk management initiatives within the Group.

Subsidiary Sub-Risk Committees identify 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 RMC. This process enables the RMC to evaluate the adequacy and operating effectiveness of the risk management process and internal control system.

The RMC conducts at least three (3) meetings annually to review new and existing key risk areas that affect the Group's business operations and the mitigating steps to address them. During the financial year under review, focus was directed towards identifying and evaluating credit risk, foreign currency exposure, liquidity and funding risk, human capital risk and risk on regulatory compliance. All matters discussed and decisions made by the RMC are disseminated to the Audit Committee and the Board.

Risk Management and Internal Control System

Other key elements of the Group's risk management and internal control system are described as follows:

- Defined lines of responsibility, 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 personnel in the Group;

- Business planning and budgeting process for business units with periodical monitoring of performance so that major variances are followed up and management actions taken;

- The Group's performance is reviewed and deliberated by the Audit Committee and Board on a quarterly basis with financial performance variances presented by Management, including explanations for significant variances from preceding periods;

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

- Justification and approval process for major expenditures to ensure congruence with the Company's strategic objectives; and

- Independent appraisals by internal auditors to ensure ongoing compliance with policies and procedures whilst assessing the adequacy and operating effectiveness of the Group's internal control system that addressed strategic, financial, compliance, and operational risks.

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

Internal Audit Function

The Group has established an in-house internal audit function to support the Audit Committee, and by extension, the Board, by providing independent and objective assurance on the adequacy and operating effectiveness of the Group's system of internal control. The internal audit function adopts a risk-based approach that focuses on major business units in the Group for the purpose of identifying areas to be audited on a prioritised basis, vis-à-vis the business risks inherent in the business units concerned. The Group's Internal Audit Plan is tabled annually and approved by the Audit Committee. Action plans are taken by Management to address audit findings and concerns raised in the internal audit reports. The internal audit function also follows up on the status of Management's action plans on the internal audit findings. On a quarterly basis, the internal audit reports are presented and tabled at the Audit Committee meetings. Details of actual work carried out by the internal audit function, together with its scope of coverage, for the financial year under review are set out in the Audit Committee Report included in this Annual Report.

The internal audit team conducting the internal audit assignment is independent of the activities it audits and has no involvement in the operations that are being audited.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2016 amounted to approximately RM336,000.

Review of the Group's system of risk management and internal control

The Board is of the view that there were no material losses that resulted from a breakdown in the system of internal control. Moreover, the Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system, covering all 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. The Board is of the view that the system of risk management and internal control, which is 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.

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

cont'd

Review of the Statement by External Auditors

The external auditors have reviewed this Statement pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), 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 year ended 31 December 2016, 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.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Directors' 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 of Directors 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 is dated 5 April 2017.

ADDITIONAL COMPLIANCE INFORMATION

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

(i) 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 2016 were as follows:

	Group 2016 (RM)	**Company 2016 (RM)**
Statutory audit fees	228,500	25,000
Non-audit fees*	105,520	9,530

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

(ii) Material contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors and major shareholders, either subsisting at the end of the financial year or entered into since the end of the previous financial year.

(iii) Corporate social responsibility

The Group acknowledges the importance of Corporate Social Responsibility ("CSR") as part of the Group business's foundation for business sustainability towards the community, workplace, environment and market place. Hence, making CSR as an integral part of business will certainly help drive this initiative to the next level.

As part of the Group's CSR efforts, the employees of the Group have participated in various community services during the year. The Machinery Division took part in a charity run event namely "Run for Our Little Heroes Diabetes Awareness Run 2016" organised by Columbia Asia in conjunction with the World Diabetes Day to create diabetes awareness. The funds raised by the event organiser were used to aid those underprivileged diabetic children in Malaysia. As a "Caring Company", visitation of orphanages and old folks' homes become part of the Group's culture. A total of 23 employees from the Machinery Division visited Rumah Kebajikan Seri Setia and distributed goodies, food and daily essentials items. Whilst another group of 35 volunteers of the Travel Division visited Rumah Juara, an orphanage home located in Petaling Jaya. About 40 underprivileged children live in Rumah Juara with their age ranging from 7 to 18 years old were provided with monetary contribution, special treat and game activities.

Shiseido Malaysia Sdn Bhd ("Shiseido Malaysia"), a joint-venture company of the Group, had successfully carried out "Touch The Heart" initiative by taking a group of children and teachers from the orphanage homes namely Budimas Orion from Senawang, Negeri Sembilan and Ti-Ratana from Desa Petaling, Kuala Lumpur on an educational journey to Petrosains and Aquaria in Kuala Lumpur City Centre ("KLCC") on 14 September 2016. Shiseido Malaysia has collaborated with Mayflower Car Rental Division to bring about 140 excited and energetic kids and chaperons for its CSR activities. Along with the projects, Shiseido Malaysia has also organised a donation drive among its employees as part of their efforts to help to sustain the livelihood and welfare of these children.

ADDITIONAL COMPLIANCE INFORMATION
cont'd

Wacoal Malaysia Sdn Bhd ("Wacoal Malaysia"), another joint-venture company of the Group, has in each year organised the "Wacoal Pink Ribbon Campaign", a campaign that creates awareness for Breast Cancer and Breast Self-Examination (BSE) since its incorporation in Malaysia. For year 2016, Wacoal Malaysia set the goal to fit 30,000 women and more as a way of enhancing physical health and well-being, it has been for the 4th consecutive year, partnering with The News Straits Times Press (Malaysia) Berhad ("NSTP") as the exclusive Media Partner to further spread the word "Early Detection of Breast Cancer Saves Lives". Wacoal Malaysia had also engaged the public in helping to spread the message. Pink Fun Ride was held on 9 October 2016 at Jalan Riong, Bangsar. Over 700 cyclists wearing Pink Ribbon T-shirt with message of "Fitting 30,000 and more women for the love of healthy breast" and cycled 25km from the New Straits Times Press building ("NSTP") in Bangsar and stopped at iconic sites like Dataran Merdeka, Kuala Lumpur City Centre and Kuala Lumpur Bird Park before returning to NSTP.

The Group's continued business success depends on an engaged workforce that is able to meet the challenges of a rapidly changing marketplace. The Group believes that human resources are the most important asset to an organisation and achieving a balanced and effective workforce is important for business sustainability. Having a diverse workforce is necessary in order to achieve this objective with guidelines adopted by the recruitment team of Human Resources Department in areas of gender, age and ethnicity, besides the right attributes, skills, qualification and experience. The Group strives to provide all employees with equal access to information, development and opportunity. Our diversity workplace strategy includes programs to attract, retain and develop diverse talent; and provide support systems for workforce with diverse backgrounds.

Continuous learning and development programmes were carried out throughout the year to equip the employees with relevant skills, knowledge and experience which would enhance their competency and eventually add value to the Group. An educational assistance program was offered to the eligible employees of the Group to pursue their higher level of studies in local and private universities. In the effort to shower a caring attitude towards the employees' need and welfare, an In-house Day-Care Facility was established for children of employees.

In line with the Group's policy to provide a safe and healthy working environment, the Company provides medical facilities by offering nurses and ambulance services to provide medical assistance and advices to the employees. Various free health screening and awareness talks were initiated to create awareness to the employees and leading them to live a healthy lifestyle. Sports and recreational activities such as yoga, zumba, futsal, badminton, bowling and indoor games and New Year gathering luncheons, and team building program were also organised throughout the year to foster closer working relationship, and inculcate teamwork among the employees. The Occupational Safety and Health (OSHA) committee will from time to time provide safety and health information and guidelines to the employees in respect of safety and health at the work place as well as offering safety awareness programmes.

To ensure that the Group's business activities comply with applicable environmental standards, rules and regulations, an environmentally-conscious work practices are promoted throughout the Group in order to reduce environmental impact, enhance energy efficiency and recycling whenever possible to conserve natural resources. Recycle bins are put up at workplace and recyclable items are collected and channelled to the relevant authorities to help the community at large and at the same time to create awareness among employees to have more environmental friendly mind-set to support a greener environment.

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

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2017

SHARE CAPITAL

Total Number of Issued Shares	:	67,200,000 ordinary shares
Total Issued Share Capital	:	RM67,200,000.00
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares Held	%
Less than 100	1,872	38.04	83,457	0.13
100 - 1,000	2,260	45.93	746,699	1.11
1,001 - 10,000	615	12.50	2,136,117	3.18
10,001 - 100,000	126	2.56	4,072,964	6.06
100,001 - 3,255,079 (less than 5% of issued shares)	46	0.93	30,724,854	45.72
3,255,080 (5% of issued shares) and above	2	0.04	27,337,509	40.68
Sub-Total	**4,921**	**100.00**	**65,101,600**	**96.88**
Treasury shares			2,098,400	3.12
Total	**4,921**	**100.00**	**67,200,000**	**100.00**

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2017
cont'd

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

	Name	Direct No. of Shares Held	% [1]	Indirect No. of Shares Held	% [1]
1.	Dato' Tan Heng Chew	4,278,633	6.57	30,639,928	47.06 [2]
2.	Tan Keng Meng	100	- [3]	-	-
3.	Dato' Seow Thiam Fatt	9,000	0.01	-	-
4.	Datuk Abdullah bin Abdul Wahab	-	-	-	-
5.	Dato' Chong Kwong Chin	-	-	-	-
6.	Chin Ten Hoy	-	-	-	-
7.	Lee Min On	-	-	-	-

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

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

	Name	Direct No. of Shares Held	% [1]	Indirect No. of Shares Held	% [1]
1.	Tan Chong Consolidated Sdn Bhd	23,446,509	36.02	-	-
2.	Dato' Tan Heng Chew	4,278,633	6.57	27,844,509	46.04 [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 issued shares less treasury shares.
(2) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 ("the Act").
(3) Deemed interest by virtue of interest in Tan Chong Consolidated Sdn Bhd pursuant to Section 8(4) of the Act.

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2017
cont'd

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%*
1.	TAN CHONG CONSOLIDATED SDN BHD	21,004,909	32.26
2.	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)*	6,332,600	9.73
3.	TAN KIM HOR	2,949,153	4.53
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR TAN HENG CHEW (MM1063)*	2,897,000	4.45
5.	TAN CHONG CONSOLIDATED SDN BHD	2,371,600	3.64
6.	WEALTHMARK HOLDINGS SDN BHD	2,222,100	3.41
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR KHOR SWEE WAH @ KOH BEE LENG (PB)*	1,385,169	2.13
8.	WEALTHMARK HOLDINGS SDN BHD	1,222,000	1.88
9.	KEY DEVELOPMENT SDN BERHAD	1,130,000	1.74
10.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD *EXEMPT AN FOR EFG BANK AG (A/C CLIENT-R)*	1,100,000	1.69
11.	PANG SEW HA @ PHANG SUI HAR	993,400	1.53
12.	WEALTHMARK HOLDINGS SDN BHD	953,900	1.47
13.	WONG YU @ WONG WING YU	891,500	1.37
14.	TAN BOON PUN	776,095	1.19
15.	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN HENG CHEW*	722,300	1.11
16.	GAN TENG SIEW REALTY SDN BERHAD	692,500	1.06
17.	TAN BAN LEONG	682,960	1.05
18.	TAN BENG KEONG	682,960	1.05
19.	TAN CHEE KEONG	682,960	1.05
20.	TAN HOE PIN	682,960	1.05
21.	WONG YU @ WONG WING YU	654,600	1.01
22.	CHINCHOO INVESTMENT SDN BERHAD	583,700	0.90
23.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN HENG CHEW (E-KLC)*	561,300	0.86
24.	JF APEX NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (STA1)*	417,900	0.64
25.	KEY DEVELOPMENT SDN BERHAD	358,900	0.55
26.	ASSOCIATED ABRASIVES SDN BHD	331,600	0.51
27.	RENGO MALAY ESTATE SENDIRIAN BERHAD	330,000	0.51
28.	CIMB GROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR DBS BANK LTD (SFS)*	312,000	0.48
29.	LEE LANG	310,436	0.48
30.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *EXEMPT AN FOR EFG BANK AG (A/C CLIENT)*	310,250	0.48
	TOTAL	**54,546,752**	**83.79**

Note:

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

GROUP PROPERTIES
AS AT 31 DECEMBER 2016

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
18, Jalan Segambut Pusat 51200 Kuala Lumpur	Office & vehicle store yard	17,574	18,160	Leasehold 16.6.2067	6.3	40	1.10.1977	2014
Lot 9, Jalan Delima 1/1 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop & vehicle storage yard	98349	53,766	Freehold	17.7	24	20.12.1990	2014
43, Jalan IMJ 3 Taman Industry Malim Jaya 75050 Malacca	Office and workshop	11,087	3,700	Leasehold 18.11.2095	0.6	20	12.12.1996	2014
19, Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	1.5	24	20.5.2000	2014
Lot 1A, Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2058	45.8	42	10.09.2004	2016
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	20.1	24	2.3.2004	2014
Lot 22, Ground Floor Wisma Sabah Jalan Tun Fuad Stephen 88000 Kota Kinabalu Sabah	Office lot	-	595	Leasehold 31.12.2072	0.5	39	23.10.2002	2014
No 3, Jalan Perusahaan Perkhidmatan Pengkalan Taman Pengkalan Maju 34700 Simpang, Taiping Perak	Office building annexed with factory	72,646	57,464	Freehold	4.3	16	5.4.2007	2014
No 1, Jalan Metro Pudu Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	Commercial shop office	2,902	16,296	Freehold	10.4	9	6.6.2008	2016
610 Jalan Nilai 3/15 Kawasan Perindustrian Nilai 3 71800 Nilai, Negeri Sembilan	Industrial building	3,003	3,003	Freehold	0.40	17	20.7.2004	2014
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	4.7	6	02.12.2009	2014
41, Jalan IMJ 3 Taman Industry Malim Jaya 75250 Malacca	Office and workshop	5,597	5,200	Leasehold 18.11.2095	0.7	20	22.12.2014	2014

STATEMENT ON DIRECTORS' RESPONSIBILITY

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company and their financial performance and cash flows for the financial year.

In preparing the financial statements for the year ended 31 December 2016, the Directors have:

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

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of the subsidiaries, associate and jointly entities are indicated in Note 5, 6 and 7 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)/Profit for the year	(5,641)	2,600
Attributable to:		
Owners of the Company	(5,037)	2,600
Non-controlling interests	(604)	-
	(5,641)	2,600

DIVIDENDS

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

	RM'000
A final single tier dividend of 4.5 sen, in respect of the financial year ended 31 December 2015, on 24 June 2016	2,930
An interim single tier dividend of 2.0 sen, in respect of the financial year ended 31 December 2016, on 30 September 2016	1,302
	4,232

At the forthcoming Annual General Meeting ("AGM"), the directors proposed the payment of a final single tier dividend of 2.0 sen in respect of the financial year ended 31 December 2016 amounting to a dividend payable of approximately RM1.3 million. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2017.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

At the AGM held on 26 May 2016, the shareholders approved the Company's plan to purchase its own shares. During the financial year, the Company purchased 300 of its ordinary shares from the open market at an average price of RM2.40 per share.

The purchase transactions were financed by internally generated funds. The shares purchased are held as treasury shares.

As at 31 December 2016, the Company held 2,098,400 shares as treasury shares out of its total issued and paid-up share capital.

DIRECTORS

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

Dato' Tan Heng Chew	
Tan Keng Meng	
Dato' Chong Kwong Chin	
Dato' Seow Thiam Fatt	
Datuk Abdullah bin Abdul Wahab	
Chin Ten Hoy	*(Appointed on 29.11.2016)*
Lee Min On	*(Appointed on 29.11.2016)*
Datin Low Suet Moi	*(Resigned on 04.08.2016)*

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings required to be kept the directors' interests in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2016	**Addition**	**Disposal**	**At 31.12.2016**
Dato' Tan Heng Chew				
- direct interest	4,278,633	-	-	4,278,633
- indirect interest ^	27,844,509	-	-	27,844,509
- indirect interest #	2,795,419	-	-	2,795,419
Tan Keng Meng				
- direct interest	100	-	-	100
Dato' Seow Thiam Fatt				
- direct interest	9,000	-	-	9,000

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

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

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

None of the other directors holding office as at 31 December 2016 has any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 31 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen from transactions disclosed in Note 30(c) to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper 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 adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

No contingent or other liability of the Company or its subsidiaries has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiaries to meet their obligations as and when they fall due.

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

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

AUDITORS

The auditors, Mazars PLT (converted from a conventional partnership, Mazars, to a limited partnership effective 17 February 2017), Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a directors' resolution dated 5 April 2017.

TAN KENG MENG
Director

CHIN TEN HOY
Director

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WARISAN TC HOLDINGS BERHAD

(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 2016 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 a summary of significant accounting policies, as set out on pages 57 to 132.

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 2016, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Malaysia and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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) Revenue Recognition

We did not rebut the ISA presumed risk of fraud in revenue recognition because of the pressure management may feel to achieve the planned results and employee incentive schemes that are usually in place based on performance. The risk of fraud is associated with the risks of management override of controls and of cut-off in recognition of revenues.

Refer to the disclosure of revenues in Note 22 to the financial statements.

Our response:

Our audit procedures to address the risk of fraud resulting from management override of controls included considering the appropriateness of the Group's revenue recognition accounting policies including those relating to discounts, incentives and rebates and assessing compliance with the policies in terms of applicable accounting standards. We tested the effectiveness of the Group's controls over revenue recognition including calculation of discounts, incentives and rebates.

For sales transactions recognised and credit notes issued pre and post reporting date, we tested and assessed that cut-off procedures were appropriately applied and transactions were recognised in the correct period. We also developed an expectation of the current year revenue balance based and performed substantive analytical review taking into account historical sales and returns information and our understanding of the Group's business. We then compared this expectation to actual results.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WARISAN TC HOLDINGS BERHAD
(Incorporated in Malaysia)
cont'd

(b) Inventory Valuation

The Group inventories amounting to RM132.14 million, include machineries, equipment, motor vehicles held for trade and manufactured apparels and are subject to changing consumer demands and trends, increasing the level of judgment involved in estimating inventory write downs. Judgement is required to assess the appropriate level of write downs for items which may be ultimately obsolete or sold below cost as a result of a reduction in consumer demand. Such judgements include management's expectations for future sales and inventory liquidation plans.

Refer to the significant accounting judgements and estimates and disclosure of inventories in Notes 2(d) and 12 to the financial statements.

Our response

We focused on the valuation of year end inventories, including challenging management's judgements regarding write downs. We assessed the write down of inventories by comparing the historical stock performance and the amount recognised by the Group. Our procedures included assessing the adequacy of, and movements in, inventory write downs by testing sample of items included in the provision to determine whether there was an appropriate basis of valuation.

We have also attended the Group's stock take procedures to identify inventories that are slow-moving, damaged and obsolete.

Information Other than the Financial Statements and Auditors' Report Thereon

The management of the Company are responsible for the other information. The other information obtained at the date of this auditors' report comprise 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 on the other information obtained prior to the date of this auditors' report, 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 Management and Those Charged with Governance for the Financial Statements

The management of the Company is responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act, 1965 in Malaysia. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of 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 management is responsible for assessing the Group or 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 management either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF WARISAN TC HOLDINGS BERHAD
(Incorporated in Malaysia)
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 ISA 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 these financial statements.

As part of an audit in accordance with ISA, 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 of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's 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 and 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 management 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 management 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, related safeguards.

From the matters communicated with the management, 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 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 SHAREHOLDERS OF WARISAN TC HOLDINGS BERHAD
(Incorporated in Malaysia)
cont'd

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Notes 5 to the financial statements, being accounts that have been included in the consolidated accounts.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

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

Other Reporting Responsibilities

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

Other Matter

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

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

YAP CHING SHIN
2022/03/18 (J)
Chartered Accountant

Kuala Lumpur

Date: 5 April 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 RM'000	2015 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	308,417	274,482
Investment property	4	45,800	45,800
Investment in an associate	6	148	-
Investment in jointly controlled entities	7	34,007	33,473
Intangible assets	8	11,584	9,131
Deferred tax assets	9	2,522	1,749
Finance lease receivables	10	3,793	2,364
Other investments	11	10	10
Other receivable	13	561	-
TOTAL NON-CURRENT ASSETS		406,842	367,009
CURRENT ASSETS			
Inventories	12	132,140	144,089
Trade and other receivables	13	158,218	155,333
Derivative financial assets	14	204	118
Current tax assets		13,801	9,681
Cash and bank balances	15	84,056	94,562
TOTAL CURRENT ASSETS		388,419	403,783
TOTAL ASSETS		795,261	770,792

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016
cont'd

	Note	2016 RM'000	2015 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	67,200	67,200
Share premium		615	615
Treasury shares	17	(4,210)	(4,209)
Merger reserve	18	(41,614)	(41,614)
Translation reserve	18	5,053	4,338
Hedging reserve	18	(38)	83
Revaluation reserve	18	45,464	45,778
Retained earnings		247,465	257,526
Total equity attributable to owners of the Company		319,935	329,717
Non-controlling interests		(1,021)	(585)
TOTAL EQUITY		318,914	329,132
NON-CURRENT LIABILITIES			
Loans and borrowings	19	66,850	59,472
Retirement benefit obligations	20	5,717	3,824
Deferred tax liabilities	9	19,065	17,810
TOTAL NON-CURRENT LIABILITIES		91,632	81,106
CURRENT LIABILITIES			
Trade and other payables	21	144,128	116,578
Loans and borrowings	19	240,107	243,916
Current tax liabilities		226	52
Derivative financial liabilities	14	254	8
TOTAL CURRENT LIABILITIES		384,715	360,554
TOTAL LIABILITIES		476,347	441,660
TOTAL EQUITY AND LIABILITIES		795,261	770,792

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 RM'000	2015 RM'000
Revenue	*22*	446,116	445,943
Cost of sales		(314,202)	(322,265)
Gross profit		131,914	123,678
Other income		3,166	2,602
Selling and distribution expenses		(45,478)	(50,324)
Administrative and general expenses		(79,795)	(64,500)
Profit from operations	*23*	9,807	11,456
Finance income		1,593	1,626
Finance costs	*24*	(13,907)	(12,282)
Net finance costs		(12,314)	(10,656)
Fair value gain on investment property		-	1,300
Share of profit on investments accounted for using the equity method, net of tax	*7*	1,644	1,838
(Loss)/Profit before tax		(863)	3,938
Tax expense	*25*	(4,778)	(3,143)
(Loss)/Profit for the year		(5,641)	795

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 RM'000	2015 RM'000
(Loss)/Profit for the year		(5,641)	795
Other comprehensive income, net of tax:			
Items that are or may be reclassified subsequently to profit or loss:			
Change in fair value of cash flow hedge		(121)	267
Foreign currency translation differences for foreign operations		715	3,011
		594	3,278
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligations		(1,178)	(124)
Share of gain on investments accounted for using the equity method		72	2
Other comprehensive (loss)/income for the year, net of tax	*26*	(512)	3,156
Total comprehensive (loss)/income for the year		(6,153)	3,951
(Loss)/Profit attributable to:			
Owners of the Company		(5,037)	1,185
Non-controlling interests		(604)	(390)
(Loss)/Profit for the year		(5,641)	795
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(5,549)	4,341
Non-controlling interests		(604)	(390)
Total comprehensive (loss)/income for the year		(6,153)	3,951
Basic (loss)/earnings per share (sen)	*27*	(7.74)	1.82

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

		Attributable to owners of the Company										
		Non-distributable							Distributable			
	Note	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Hedging reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2015		67,200	615	(4,206)	(41,614)	1,327	(184)	46,092	260,706	329,936	(195)	329,741
Foreign currency translation differences for foreign operations		-	-	-	-	3,011	-	-	-	3,011	-	3,011
Remeasurement of retirement benefit obligations		-	-	-	-	-	-	-	(124)	(124)	-	(124)
Change in fair value of cash flow hedge		-	-	-	-	-	267	-	-	267	-	267
Share of gain on investments accounted for using the equity method		-	-	-	-	-	-	-	2	2	-	2
Total other comprehensive income for the year		-	-	-	-	3,011	267	-	(122)	3,156	-	3,156
Profit for the year		-	-	-	-	-	-	-	1,185	1,185	(390)	795
Total comprehensive income for the year		-	-	-	-	3,011	267	-	1,063	4,341	(390)	3,951
Purchase of treasury shares	17	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Dividends to owners of the Company	28	-	-	-	-	-	-	-	(4,557)	(4,557)	-	(4,557)
Portion of revaluation reserve transferred through depreciation		-	-	-	-	-	-	(314)	314	-	-	-
At 31 December 2015		67,200	615	(4,209)	(41,614)	4,338	83	45,778	257,526	329,717	(585)	329,132
At 1 January 2016		67,200	615	(4,209)	(41,614)	4,338	83	45,778	257,526	329,717	(585)	329,132
Investment by minority shareholders		-	-	-	-	-	-	-	-	-	168	168
Foreign currency translation differences for foreign operations		-	-	-	-	715	-	-	-	715	-	715
Remeasurement of retirement benefit obligations		-	-	-	-	-	-	-	(1,178)	(1,178)	-	(1,178)
Change in fair value of cash flow hedge		-	-	-	-	-	(121)	-	-	(121)	-	(121)
Share of gain on investments accounted for using the equity method		-	-	-	-	-	-	-	72	72	-	72
Total other comprehensive income for the year		-	-	-	-	715	(121)	-	(1,106)	(512)	-	(512)
Loss for the year		-	-	-	-	-	-	-	(5,037)	(5,037)	(604)	(5,641)
Total comprehensive income for the year		-	-	-	-	715	(121)	-	(6,143)	(5,549)	(604)	(6,153)
Purchase of treasury shares	17	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Dividends to owners of the Company	28	-	-	-	-	-	-	-	(4,232)	(4,232)	-	(4,232)
Portion of revaluation reserve transferred through depreciation		-	-	-	-	-	-	(314)	314	-	-	-
At 31 December 2016		67,200	615	(4,210)	(41,614)	5,053	(38)	45,464	247,465	319,935	(1,021)	318,914

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(863)	3,938
Adjustments for:		
Net allowance for/(reversal of) doubtful debts	1,912	(13)
Amortisation of intangible assets	84	-
Bad debts written off	24	172
Fair value adjustment on investment property	-	(1,300)
Depreciation of property, plant and equipment	50,881	49,649
Dividend income from other unquoted investment	(14)	-
Gain on disposal of property, plant and equipment, net	(322)	(212)
Gain on disposal of assets held for rental	(6,731)	(3,083)
Interest expense	13,907	12,282
Interest income	(1,593)	(1,626)
Inventories written down, net of write back	2,107	886
Property, plant and equipment written off	1,551	775
Retirement benefits expense	795	770
Unrealised gain on foreign exchange, net	(316)	(574)
Share of profit of equity accounted investments, net of tax	(1,644)	(1,838)
Operating profit before working capital changes	59,778	59,826
Changes in inventories	10,902	4,499
Changes in receivables	(6,811)	(13,759)
Changes in payables	27,550	8,258
Cash generated from operations	91,419	58,824
Proceeds from disposal of assets held for rental	25,359	18,445
Tax paid, net of refunds	(7,855)	(8,942)
Retirement benefits paid	(454)	(205)
Net cash generated from operating activities	108,469	68,122

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

cont'd

	2016 RM'000	2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 37)	(56,851)	(51,968)
Acquisition of subsidiary, net of cash acquired	(27)	-
Acquisition of intangible assets	(2,292)	-
Investment in non-controlling interests	(148)	-
Proceeds from disposal of property, plant and equipment	1,314	1,837
Dividend received from jointly controlled entities	1,232	1,054
Dividend received from other investment	14	-
Interest received	1,593	1,626
Net cash used in investing activities	(55,165)	(47,451)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank term loans	-	20,000
Repayment of bank term loans	(17,296)	(32,861)
Drawdown of revolving credits	1,762,000	1,474,000
Repayment of revolving credits	(1,747,000)	(1,409,000)
Drawdown of bankers' acceptances	131,293	145,715
Repayment of bankers' acceptances	(144,632)	(179,800)
Repayment of hire purchase financing	(32,891)	(20,071)
Dividends paid	(4,232)	(4,557)
Interest paid	(13,907)	(12,282)
Treasury shares acquired	(1)	(3)
Net cash used in financing activities	(66,666)	(18,859)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(13,362)	1,812
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	94,269	89,545
Effects of exchange rate fluctuation on cash and cash equivalents	819	2,912
CASH AND CASH EQUIVALENTS CARRIED FORWARD	81,726	94,269
Represented by:		
Short term deposits	13,945	20,709
Fixed deposits	29,203	25,314
Cash at bank and in hand	40,908	48,539
Bank overdrafts	(2,330)	(293)
	81,726	94,269

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	**2016 RM'000**	**2015 RM'000**
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*3*	21	47
Investment in subsidiaries	*5*	155,634	159,061
Investment in jointly controlled entities	*7*	24,568	24,568
Deferred tax asset	*9*	91	27
TOTAL NON-CURRENT ASSETS		180,314	183,703
CURRENT ASSETS			
Trade and other receivables	*13*	8,209	10,639
Cash and bank balances	*15*	4,940	763
TOTAL CURRENT ASSETS		13,149	11,402
TOTAL ASSETS		193,463	195,105
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*16*	67,200	67,200
Treasury shares	*17*	(4,210)	(4,209)
Retained earnings		116,246	118,081
TOTAL EQUITY		179,236	181,072
NON-CURRENT LIABILITIES			
Retirement benefit obligations	*20*	848	430
Other payable	*21*	3,600	-
TOTAL NON-CURRENT LIABILITIES		4,448	430
CURRENT LIABILITY			
Trade and other payables	*21*	9,779	13,603
TOTAL LIABILITIES		14,227	14,033
TOTAL EQUITY AND LIABILITIES		193,463	195,105

The accompanying notes form an integral part of the financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	**2016 RM'000**	**2015 RM'000**
Revenue	*22*	12,502	8,429
Administrative and general expenses		(9,821)	(12,662)
Profit/(Loss) from operations	*23*	2,681	(4,233)
Finance income		33	66
Finance costs	*24*	(114)	(118)
Net finance costs		(81)	(52)
Profit/(Loss) before tax		2,600	(4,285)
Tax expense	*25*	-	-
Profit/(Loss) for the year		2,600	(4,285)
Other comprehensive loss, net of tax			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligations	*26*	(203)	(86)
Total comprehensive income/(loss) for the year		2,397	(4,371)

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	**Non-distributable**		**Distributable**	
		Share capital	**Treasury shares**	**Retained earnings**	**Total**
		RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January 2015		67,200	(4,206)	127,009	190,003
Total other comprehensive loss for the year		-	-	(86)	(86)
Loss for the year		-	-	(4,285)	(4,285)
Total comprehensive loss for the year		-	-	(4,371)	(4,371)
Purchase of treasury shares	*17*	-	(3)	-	(3)
Dividends to owners of the Company	*28*	-	-	(4,557)	(4,557)
At 31 December 2015		67,200	(4,209)	118,081	181,072
At 1 January 2016		67,200	(4,209)	118,081	181,072
Total other comprehensive loss for the year		-	-	(203)	(203)
Profit for the year		-	-	2,600	2,600
Total comprehensive income for the year		-	-	2,397	2,397
Purchase of treasury shares	*17*	-	(1)	-	(1)
Dividends to owners of the Company	*28*	-	-	(4,232)	(4,232)
At 31 December 2016		67,200	(4,210)	116,246	179,236

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,600	(4,285)
Adjustments for:		
Depreciation of property, plant and equipment	26	33
Dividend income	(12,502)	(8,429)
Impairment in value of investment in subsidiaries	7,027	9,990
Interest income	(33)	(66)
Interest expense	114	118
Retirement benefit expense	151	132
Operating loss before working capital changes	(2,617)	(2,507)
Changes in receivables	2,430	3,556
Changes in payables	(224)	939
Cash (used in)/generated from operations	(411)	1,988
Tax refunded	-	469
Retirement benefits paid	-	(114)
Net cash (used in)/generated from operating activities	(411)	2,343
CASH FLOWS FROM INVESTING ACTIVITIES		
Subscription of additional shares in subsidiaries	(3,600)	(6,900)
Interest received	33	66
Dividends received from subsidiaries	11,270	7,375
Dividends received from jointly controlled entities	1,232	1,054
Net cash generated from investing activities	8,935	1,595

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

	2016 RM'000	2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(114)	(118)
Dividends paid	(4,232)	(4,557)
Treasury shares acquired	(1)	(3)
Repayment of bank term loan	-	(2,162)
Net cash used in financing activities	(4,347)	(6,840)
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,177	(2,902)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	763	3,665
CASH AND CASH EQUIVALENTS CARRIED FORWARD	4,940	763
Represented by:		
Short term deposits	186	180
Fixed deposits	147	143
Cash at banks and on hand	4,607	440
	4,940	763

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

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

Principal place of business:	Registered office:
3rd Floor 15 Jalan Ipoh Kecil 50350 Kuala Lumpur Malaysia	62-68 Jalan Sultan Azlan Shah 51200 Kuala Lumpur Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2016 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in an associate and jointly controlled entities.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries, associate and jointly controlled entities are indicated in Notes 5, 6 and 7 to the financial statements, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

Fair value measurements are categorised as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Application of new or revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and interpretations that became effective mandatorily for the financial periods beginning on or after 1 January 2016.

The adoption of the new and revised standards, amendments and/or interpretations did not have significant impact on the financial statements of the Group and of the Company.

(c) Standards issued that are not yet effective

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

		Effective Date
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014–2016 Cycle	1 January 2017
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014–2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Standards issued that are not yet effective (continued)

MFRS 9, Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as opposed to 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 9, and intend to adopt MFRS 9 on the mandatory effective date.

MFRS 15, Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

MFRS 16, Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 on the mandatory effective date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates

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

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

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods are discussed below:

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates these useful lives to be 50 to 55 years for buildings and within 2 to 10 years for other property, plant and equipment.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 December 2016 are disclosed in Note 3 to the financial statements.

(ii) Estimation of the fair value of 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 values of land and buildings under the fair value method are disclosed in Notes 3 and 4 to the financial statements.

(iii) Allowance for stock obsolescence and inventories write down

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

(iii) Allowance for stock obsolescence and inventories write down (continued)

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

The carrying amount of the Group's inventories as at 31 December 2016 is disclosed in Note 12 to the financial statements.

(iv) Impairment of loans and receivables

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

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

The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2016 are disclosed in Note 13 to the financial statements.

(v) Impairment of goodwill

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

Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 8 to the financial statements.

(vi) Impairment of other non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

(vii) Income taxes

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

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

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

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(viii) Defined benefit plan

The Group 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 20 to the financial statements. Where expectations differ from the original estimate, the differences will impact the carrying amount of the post employment benefits obligations.

(e) Property, plant and equipment

(i) Measurement basis

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

The Group changed its accounting policy with respect to the measurement of land and buildings from the cost model to the revaluation model. The Group's properties were revalued on 31 December 2014 by independent professional qualified valuer. Valuation will be performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the fair values of the land and buildings at the reporting date.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

(i) Measurement basis (continued)

Surplus arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

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

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, after deducting the estimated residual value. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

Buildings	50 to 55 years
Plant, machinery and equipment	2 to 7 years
Machinery and equipment for hire	3 to 5 years
Furniture, fixtures, fittings & office equipment	3 to 7 years
Renovation	3 to 4 years
Coaches, motor vehicles for hire and other motor vehicles	4 to 10 years
Cars for hire	4 to 5 years

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

(f) Investment properties

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Basis of consolidation

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

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

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

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

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

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

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

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

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

Accounting for business combinations

Except for those subsidiaries specifically identified in Note 5 to the financial statements which are consolidated on the merger method of accounting, all subsidiaries are consolidated on the acquisition method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Under the acquisition method of accounting, 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, the liabilities incurred, and the equity interests issued by the acquirer.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interest and entitle their holders to proportionate share of the entity's net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable assets.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Basis of consolidation (continued)

Accounting for business combinations (continued)

Goodwill arising on the acquisition of subsidiaries is presented separately in the statement of financial position. The goodwill is accounted for in accordance with the accounting policy set out in Note 2(k) to the financial statements.

Changes of Interests in Subsidiaries

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

Loss of control

When the Group loses control of a subsidiary:

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

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

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

(h) Investment in subsidiaries

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Investments in an associate 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. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

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

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

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

An investment in an associate or a jointly controlled entity 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 over the associate or jointly controlled entity.

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

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

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

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

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

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

When changes in the Group's interests in an associate that do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Investments in an associate and jointly controlled entities (continued)

In the Company's separate financial statements, investments in 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 associates or jointly controlled entities disposed of is recognised in profit or loss.

(j) Non-controlling interests

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

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(k) Intangible assets

(i) Goodwill on consolidation

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Intangible assets (continued)

(i) Goodwill on consolidation (continued)

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

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

(ii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives are measured at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and amortisation method are reviewed at the reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

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

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

(l) Financial instruments

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

(i) Initial recognition and measurement

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments ("HTM"), available-for-sale financial assets ("AFS") or loans and receivables, as appropriate. Management determines the classification of the financial assets upon initial recognition depends on the nature and purpose of the financial assets. The Group does not hold HTM. The Company does not hold FVTPL, HTM and AFS.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

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

Financial assets (continued)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

(a) Loans and receivables

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

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less allowance for impairment loss. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months or normal operating cycle after the reporting date which are classified as non-current.

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

FVTPL category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

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

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

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

(c) Available-for-sale financial assets

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

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as AFS are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income as item that may be subsequently reclassified to profit or loss, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

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

Financial assets (continued)

(c) Available-for-sale financial assets (continued)

On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at FVTPL, are subject to review for impairment.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

Financial liabilities at FVTPL comprise financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

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

In the ordinary course of business, the Company does not designate any financial liabilities at FVTPL. All financial liabilities are measured at amortised cost.

(iii) Derivative financial instruments and hedge accounting

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

(iii) Derivative financial instruments and hedge accounting (continued)

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

(iv) Derecognition of financial assets and liabilities

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

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

(m) Leases

(i) As lessee

Finance lease, which transfers to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases (continued)

(ii) As lessor

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

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

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

(n) Hire purchases

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

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

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on either the specific identification basis or weighted average basis, depending on the nature of the inventories. Cost comprises the landed cost of goods purchased, other costs incurred in bringing the inventories to their present location and condition, and in the case of finished goods and work-in-progress, includes an appropriate proportion of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(p) Government grants

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

(q) Share capital and share premium

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Share capital and share premium (continued)

Treasury shares

When shares of the Company that have been recognised as equity is repurchased, the amount of the consideration paid, included directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

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

(r) Foreign currencies

(i) Transactions and balances in foreign currencies

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

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

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

(ii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than Ringgit Malaysia (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date. Income and expense items are translated at exchange rates approximating those ruling on transactions dates. All exchange differences arising from the translation of the financial statements of foreign operations are taken directly to other comprehensive income as items that may be subsequently reclassified to the profit or loss.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Impairment of financial assets

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

(i) Assets carried at amortised cost

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

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

(ii) Financial assets carried at cost

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

(iii) Available-for-sale financial assets

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

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

(t) Impairment of non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Goodwill

Goodwill is reviewed for impairment annually, or more frequently if events of changes in circumstances indicate that the carrying amount may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination. An impairment loss is recognised in profit or loss when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or cash-generating unit. The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit on a pro rata basis. Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(ii) Property, plant and equipment, investments in subsidiaries, an associate and jointly controlled entities

Property, plant and equipment, investments in subsidiaries, and associate and jointly controlled entities are assessed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use.

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

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(u) Revenue and other income

Revenue is recognised when it is probable that economic benefits will flow to the Group or the Company and when the revenue can be measured reliably. Depending on the principal activities of the subsidiaries, income not derived from the ordinary activities of the entity is classified as other income.

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

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

(i) Sales of goods

Revenue from sales of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue and other income (continued)

(ii) Services

Revenue from services rendered is recognised on an accrual basis as and when the services are rendered. Commission income (net differential) from principal-agent relationship is recognised on net basis as revenue.

(iii) Car rental income

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

(iv) Finance lease income

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

(v) Interest income

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

(vi) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the specific tenure of the respective leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(vii) Dividend income

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

(viii) Premium income

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

(v) Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

(a) Defined contribution plan

The Group and the Company pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group or the Company is limited to the amount that it agrees to contribute to the EPF. Contributions to the EPF are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee benefits (continued)

(ii) Post-employment benefits (continued)

(b) Defined benefit plan

The Group's and the Company's net obligation 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 3 years in advance.

Remeasurements of the net defined benefit liability, comprise actuarial gains and losses, and are recognised immediately in other comprehensive income. 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 then 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 and 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.

(iii) Termination benefits

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

(w) Borrowing costs

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

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

(x) Taxation

The tax expense in profit or loss comprises current tax and deferred tax.

Current tax is an estimate of tax payable in respect of taxable profit for the year based on the tax rate enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Taxation (continued)

Deferred tax is recognised in full, based on the liability method, for taxation deferred in respect of all material temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised for the following temporary differences arising from the initial recognition of:

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

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

Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Current and deferred tax is recognised as an income or an expense in profit or loss or is credited or charged directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or different period, directly to other comprehensive income.

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

(y) Cash and cash equivalents

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

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

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

(z) Segmental reporting

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

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

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segmental reporting (continued)

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

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

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

(aa) Provision for outstanding claims

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

(ab) Unearned premium reserves

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

(ac) Contingent liabilities and contingent assets

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

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

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

(ad) Provisions

Provisions are made when the Group or the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting date, taking into account the risks and uncertainties surrounding the obligations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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3. PROPERTY, PLANT AND EQUIPMENT

Group	at valuation			at cost						
	Freehold land	Leasehold land	Buildings	Plant, machinery and equipment	Machinery and equipment for hire	Furniture, fixtures, fittings and office equipment	Renovation	Coaches, motor vehicles for hire and other motor vehicles	Cars for hire	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation										
1 January 2015	38,240	8,354	21,923	3,273	47,260	26,269	6,611	39,656	194,213	385,799
Additions	-	256	464	28	15,773	1,384	244	8,195	51,197	77,541
Disposals	-	-	-	-	(9,724)	(4,739)	(156)	(6,061)	(28,045)	(48,725)
Write-off	-	-	-	-	-	(12)	(259)	(73)	(1,192)	(1,536)
Effects of movements in exchange rates	-	551	152	-	-	13	-	-	-	716
At 31 December 2015/ 1 January 2016	38,240	9,161	22,539	3,301	53,309	22,915	6,440	41,717	216,173	413,795
Additions	-	-	-	185	19,527	2,122	2,580	8,480	74,015	106,909
Disposals	-	-	-	-	(14,326)	(534)	(597)	(5,364)	(38,490)	(59,311)
Write-off	-	-	-	(3)	-	(1,191)	(1,093)	(161)	(1,728)	(4,176)
Transfer to inventory	-	-	-	-	-	-	-	-	(3,222)	(3,222)
Effects of movements in exchange rates	-	139	54	-	-	9	-	-	-	202
At 31 December 2016	38,240	9,300	22,593	3,483	58,510	23,321	7,330	44,672	246,748	454,197

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FOR THE YEAR ENDED 31 DECEMBER 2016
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3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land (at valuation) RM'000	Leasehold land (at valuation) RM'000	Buildings (at valuation) RM'000	Plant, machinery and equipment (at cost) RM'000	Machinery and equipment for hire (at cost) RM'000	Furniture, fixtures, fittings and office equipment (at cost) RM'000	Renovation (at cost) RM'000	Coaches, motor vehicles for hire and other motor vehicles (at cost) RM'000	Cars for hire (at cost) RM'000	Total RM'000
Accumulated depreciation										
At 1 January 2015	-	-	570	2,335	23,116	21,503	3,073	15,016	55,764	121,377
Charge for the year	-	108	614	362	8,456	1,828	1,331	5,102	31,848	49,649
Disposals	-	-	-	-	(6,797)	(4,660)	(146)	(3,703)	(16,432)	(31,738)
Write-off	-	-	-	-	-	(10)	(259)	(26)	(466)	(761)
At 31 December 2015/ 1 January 2016	-	108	1,184	2,697	24,775	18,661	3,999	16,389	70,714	138,527
Charge for the year	-	217	646	406	9,416	1,715	965	5,052	32,464	50,881
Disposals	-	-	-	-	(10,398)	(430)	(547)	(3,478)	(24,838)	(39,691)
Write-off	-	-	-	(1)	-	(1,049)	(741)	(61)	(773)	(2,625)
Transfer to inventory	-	-	-	-	-	-	-	-	(2,098)	(2,098)
At 31 December 2016	-	325	1,830	3,102	23,793	18,897	3,676	17,902	75,469	144,994
Impairment loss										
At 31 December 2015/2016	-	-	786	-	-	-	-	-	-	786
Net carrying amounts										
At 31 December 2015	38,240	9,053	20,569	604	28,534	4,254	2,441	25,328	145,459	274,482
At 31 December 2016	38,240	8,975	19,977	381	34,717	4,424	3,654	26,770	171,279	308,417

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FOR THE YEAR ENDED 31 DECEMBER 2016
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3. PROPERTY, PLANT AND EQUIPMENT (continued)

Furniture, fixtures, fittings and office equipment	Company	
	2016	2015
	RM'000	RM'000
Cost		
At 1 January	414	418
Disposal	-	(4)
At 31 December	414	414
Accumulated depreciation		
At 1 January	367	338
Charge for the year	26	33
Disposal	-	(4)
At 31 December	393	367
Net carrying amount		
At 31 December	21	47

	Net carrying amount	
	2016	2015
	RM'000	RM'000
The Group's buildings are situated as follows:		
On leasehold land	3,137	3,252
On freehold land	16,380	16,847
In a multi-storey office complex with strata title	460	470
	19,977	20,569

As at 31 December 2016, the net carrying amount of cars for hire under hire purchase arrangements is RM63,487,166 (2015: RM46,688,142).

Property, plant and equipment under revaluation model

The Group's land and buildings under property, plant and equipment were revalued on 31 December 2014. The fair values of the land and buildings as at 31 December 2014 were based on valuations carried out during the financial year by Rahim & Co Chartered Surveyors Sdn Bhd and Agency For Real Estate Affairs, firms of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. Fair values of land and buildings have been generally derived using the sales comparison and depreciated replacement cost approach and therefore are categorised as Level 2 in the fair value hierarchy. In the sales comparison approach, sales price of comparable properties in close proximity are 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Had the revalued property, plant equipment been carried under the cost model, the net carrying amount of each class of property, plant and equipment that would have been included in the financial statements of the Group as at 31 December 2016 would be as follows:

2016	**Freehold land**	**Leasehold land**	**Buildings**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cost				
At 1 January 2016/31 December 2016	15,612	2,606	15,668	33,886
Accumulated depreciation				
At 1 January 2016	-	596	3,210	3,806
Charge for the year	-	46	295	341
At 31 December 2016	-	642	3,505	4,147
Net carrying amount				
At 31 December 2016	15,612	1,964	12,163	29,739

2015				
Cost				
At 1 January 2015	15,612	2,350	15,204	33,166
Additions	-	256	464	720
At 31 December 2015	15,612	2,606	15,668	33,886
Accumulated depreciation				
At 1 January 2015	-	550	2,915	3,465
Charge for the year	-	46	295	341
At 31 December 2015	-	596	3,210	3,806
Net carrying amount				
At 31 December 2015	15,612	2,010	12,458	30,080

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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4. INVESTMENT PROPERTY

	Group	
	2016	2015
	RM'000	RM'000
At fair value:		
At 1 January	45,800	44,500
Changes in fair value for the year	-	1,300
At 31 December	45,800	45,800
Investment property comprises:		
Long term leasehold land	42,800	42,800
Buildings	3,000	3,000
	45,800	45,800

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

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

	Group	
	2016	2015
	RM'000	RM'000
Rental income	668	666
Direct operating expenses	153	133

The Group measures its investment property at fair value and any change in fair value is recognised in the profit or loss. The fair value of the investment property as at 31 December 2016 is based on a valuation carried out on 8 November 2016 by Rahim & Co Chartered Surveyors Sdn Bhd, a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value of the investment property was determined using comparison method and therefore is categorised as Level 2 in the fair value hierarchy.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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5. INVESTMENT IN SUBSIDIARIES

	Company	
	2016	2015
	RM'000	RM'000
Unquoted shares, at cost		
At 1 January	203,365	196,465
Addition	3,600	6,900
At 31 December	206,965	203,365
Less: Accumulated impairment loss	(51,331)	(44,304)
	155,634	159,061

The subsidiaries are as follows:

Name of subsidiary	Effective ownership and voting interest 2016 %	2015 %	Country of incorporation	Principal activities
Mayflower Car Rental Sdn Bhd +	100	100	Malaysia	Rental of cars and coaches and trading and marketing of motor vehicles
Mayflower Corporate Travel Services Sdn Bhd	100	100	Malaysia	Operation of inbound, outbound tours and provision of air-ticketing services
Mayflower Holidays Sdn Bhd	100	100	Malaysia	Operation of inbound, outbound tours and provision of air-ticketing services
Mayflower Holidays (Borneo) Sdn Bhd	100	100	Malaysia	Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services
MUV Marketplace Sdn Bhd +	100	100	Malaysia	Used vehicles auction services, vehicles inspection and certification
TCIM Sdn Bhd +	100	100	Malaysia	Distribution, sale and rental of material handling equipment, agriculture tractors, engine, construction equipment and parts as well as provision of after sales services
Jentrakel Sdn Bhd +	100	100	Malaysia	Rental and sale of industrial machinery and equipment

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

5. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Effective ownership and voting interest 2016 %	2015 %	Country of incorporation	Principal activities
Angka-Tan Motor Sdn Bhd +	100	100	Malaysia	Assembly, distribution and sale of commercial and passenger vehicles
Kereta Komersil Seladang (M) Sdn Bhd	70	70	Malaysia	Manufacturing, assembly and sale of commercial and passenger vehicles
Tan Chong Apparels Manufacturer Sdn Bhd +	100	100	Malaysia	Manufacture of apparels
Tung Pao Sdn Bhd +	100	100	Malaysia	Distribution and sale of consumer products
Warisan Captive Incorporated	100	100	Labuan Malaysia	Underwriting of captive Insurance
Grooming Expert Sdn Bhd +	100	100	Malaysia	Hairdressing salons and beauty parlours
WTC Automotif (M) Sdn Bhd	100	100	Malaysia	Assembly, distribution and sale of commercial vehicles
Mayflower-My 2nd Home (MM2H) Sdn Bhd	100	100	Malaysia	Provision of migration services
Warisan TC Management Services Sdn Bhd	100	100	Malaysia	Provision of management services
HairBiz College of Hairdressing Professionals Sdn Bhd +	100	100	Malaysia	Property holding
Comit Communication Technologies (M) Sdn Bhd +	100	100	Malaysia	Property holding
Belize Holdings Sdn Bhd +	100	100	Malaysia	Investment holding
Mayflower (Labuan) Pte Ltd	100	100	Labuan Malaysia	Investment holding
MAT (Labuan) Pte Ltd	100	100	Labuan Malaysia	Investment holding
Warisan Automotif Holdings Sdn Bhd	100	100	Malaysia	Dormant
ATM (Labuan) Pte Ltd	100	100	Labuan Malaysia	Dormant

5. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Effective ownership and voting interest 2016 %	2015 %	Country of incorporation	Principal activities
Mayflower ITravel Sdn Bhd	100	100	Malaysia	Dormant
TCIM (Labuan) Pte Ltd	100	100	Labuan Malaysia	Dormant
Warisan TC Automotive Manufacturers (M) Sdn Bhd	100	100	Malaysia	Dormant
Tan Chong Apparels Sdn Bhd +	100	100	Malaysia	Inactive
TCIM Esasia Sdn Bhd	70	70	Malaysia	Inactive
Excess Line Sdn Bhd	100	100	Malaysia	Inactive
GoCar Mobility Sdn Bhd ("GoCar")	55	-	Malaysia	Car rental using mobile application
MUV Solutions Sdn Bhd	100	100	Malaysia	Research, development and commercialisation of software, provision of technology, maintenance and its related services
TC Machinery Vietnam Pte Ltd *	100	100	Vietnam	Inactive
MAT Tours And Travel (Cambodia) Pte Ltd *	100	100	Cambodia	Operation of inbound, outbound tours and provision of air ticketing services

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

On 12 February 2016, Mayflower Car Rental Sdn Bhd entered into a conditional Sale and Purchase Agreement and a conditional Subscription Agreement to respectively acquire 10,000 ordinary shares of RM1.00 each in GoCar from Ideal Force Sdn Bhd and subscribe for 100,000 new ordinary shares of RM1.00 each in GoCar representing in aggregate 55% equity interest for a total consideration of RM450,000. The transaction was completed on 11 March 2016. Goodwill recognised, being the excess of consideration paid over the total fair value of interest acquired in GoCar, amounted to RM245,000 (see Note 8).

6. INVESTMENT IN AN ASSOCIATE

	Group 2016 RM'000	2015 RM'000
Unquoted shares, at equity method	148	-

NOTES TO THE FINANCIAL STATEMENTS
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6. INVESTMENT IN AN ASSOCIATE (continued)

The associate company, incorporated in Thailand, is as follows:

Name	Effective ownership and voting interest 2016 %	2015 %	Principal activities
Mayflower Saha (Thailand) Co. Ltd *^	49	-	The associate has not started its commercial operations since incorporation in November 2016

* *Not audited by Mazars PLT*
^ *Unaudited*

7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted shares, at cost	17,356	17,356	24,568	24,568
Share of post-acquisition reserve	16,651	16,117	-	-
	34,007	33,473	24,568	24,568

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

Name	Effective ownership and voting interest 2016 %	2015 %	Principal activities
Wacoal Malaysia Sdn Bhd ("Wacoal")	50	50	Distribution and sale of ladies undergarments
Shiseido Malaysia Sdn Bhd ("Shiseido") *	50	50	Distribution and sale of cosmetics and consumer products

* *Not audited by Mazars PLT*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

7. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (continued)

	Group	
	2016	**2015**
	RM'000	**RM'000**
Reconciliation of net assets to carrying amount		
Group's share of net assets	41,215	40,747
Elimination of unrealised profits	(7,208)	(7,274)
Carrying amount in the consolidated statement of financial position	34,007	33,473
Group's share of profit, net of tax	1,644	1,838
Other information		
Cash dividend received by the Group	1,232	1,054

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

	Wacoal		Shiseido	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Statements of financial position				
Current assets	29,677	29,253	65,148	63,295
Cash and bank balances	2,294	1,458	20,817	22,915
Non-current assets	6,875	5,972	15,852	16,529
Current liabilities	7,345	7,321	27,202	25,605
Non-current liabilities	135	119	440	511
Statements of profit or loss and other comprehensive income				
Revenue	41,282	40,346	108,715	101,604
Profit before tax	3,179	1,525	1,286	3,701
Other comprehensive income/(loss)	(1)	-	119	6
Total comprehensive income	2,406	979	999	2,700
Depreciation of property, plant and equipment	1,181	1,070	2,656	2,688
Interest income	334	366	475	503
Tax expense	772	546	405	1,005

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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8. INTANGIBLE ASSETS

2016	Goodwill	License	Software and applications	Total
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 January 2016	8,431	700	-	9,131
Goodwill on acquisition of a subsidiary	245	-	-	245
Purchase of software and application	-	-	2,292	2,292
At 31 December 2016	8,676	700	2,292	11,668
Accumulated amortisation				
Charge for the year/ At 31 December 2016	-	-	84	84
Net carrying amount				
At 31 December 2016	8,676	700	2,208	11,584
2015				
Net carrying amount				
At 1 January 2015/ 31 December 2015	8,431	700	-	9,131

Impairment testing of goodwill

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

The above goodwill acquired has been allocated to the cash-generating units ("CGUs") namely Mayflower Corporate Travel Services Sdn Bhd and GoCar Mobility Sdn Bhd.

Recoverable amount based on value-in-use

The recoverable amounts of the abovementioned CGUs are determined based on value-in-use calculations using cash flow projections covering five years. The growth rate used for the five-year cash flow projections is 5% per annum and the terminal value growth rate used is 3%.

The value-in-use was determined by discounting the future pre-tax cash flows generated from the continuing use of the units. The pre-tax discount rates used are in the range of 7.2% to 9.2%.

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

8. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill (continued)

Sensitivity to changes in assumptions

In assessing the value-in-use, management is of the view that no foreseeable changes in any of the above key assumptions would cause the carrying value of the CGUs to materially exceed their recoverable amount.

9. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Assets		Liabilities		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Property, plant and equipment	-	-	(19,981)	(20,470)	(19,981)	(20,470)
Investment property	-	-	(635)	(635)	(635)	(635)
Retirement benefit obligations	503	549	-	-	503	549
Tax loss carry forward	167	436	-	-	167	436
Other items	3,403	4,059	-	-	3,403	4,059
Deferred tax assets/(liabilities)	4,073	5,044	(20,616)	(21,105)	(16,543)	(16,061)
Offsetting	(1,551)	(3,295)	1,551	3,295	-	-
Net deferred tax assets/(liabilities)	2,522	1,749	(19,065)	(17,810)	(16,543)	(16,061)
Company						
Retirement benefit obligations	91	27	-	-	91	27
Deferred tax asset	91	27	-	-	91	27

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
Unutilised tax losses	28,667	21,632
Unabsorbed capital allowances	7,906	6,003
Other temporary differences	3,749	2,926
Difference between net carrying amount and tax written down value of property, plant and equipment	(2,486)	(2,139)
	37,836	28,422

NOTES TO THE FINANCIAL STATEMENTS

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

Movements of deferred taxes are as follows:

	At 1 January RM'000	Recognised in profit or loss *(Note 25)* RM'000	Recognised in other comprehensive income *(Note 26)* RM'000	At 31 December RM'000
2016				
Group				
Property, plant and equipment	(20,470)	489	-	(19,981)
Investment property	(635)	-	-	(635)
Retirement benefit obligations	549	(395)	349	503
Tax loss carry forward	436	(269)	-	167
Other items	4,059	(694)	38	3,403
Deferred tax liabilities	(16,061)	(869)	387	(16,543)
Company				
Retirement benefit obligations	27	-	64	91
Deferred tax asset	27	-	64	91
2015				
Group				
Property, plant and equipment	(19,244)	(1,226)	-	(20,470)
Investment property	(570)	(65)	-	(635)
Retirement benefit obligations	533	(23)	39	549
Tax loss carry forward	642	(206)	-	436
Other items	3,391	743	(75)	4,059
Deferred tax liabilities	(15,248)	(777)	(36)	(16,061)
Company				
Retirement benefit obligations	-	27	-	27
Deferred tax asset	-	27	-	27

NOTES TO THE FINANCIAL STATEMENTS
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cont'd

10. FINANCE LEASE RECEIVABLES

	Group	
	2016	**2015**
	RM'000	**RM'000**
Finance lease instalments receivable:		
- not later than one year	3,864	5,934
- later than one year but not later than five years	4,552	2,410
	8,416	8,344
Unexpired term charges	(1,389)	(296)
Outstanding principal	7,027	8,048
Outstanding principal receivable not later than one year *(see Note 13)*	(3,234)	(5,684)
Outstanding principal receivable later than one year but not later than five years	3,793	2,364

The effective interest rates of the finance leases range from 5.7% to 9.3% (2015: 5.1% to 11.1%) per annum depending on the amount financed and the tenure of the lease.

11. OTHER INVESTMENTS

	Group	
	2016	**2015**
	RM'000	**RM'000**
Classified as available-for-sale financial assets		
Unquoted shares, at cost	10	10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

12. INVENTORIES

	2016			2015		
	At cost	At net realisable value	Total	At cost	At net realisable value	Total
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Raw materials	692	-	692	785	-	785
Work-in-progress	63	-	63	109	-	109
Equipment and machinery	54,604	12,812	67,416	63,436	10,548	73,984
Trading inventories	1,919	-	1,919	1,560	56	1,616
Spare parts and workshop inventories	15,033	5,334	20,367	16,091	4,554	20,645
Commercial and passenger vehicles	27,803	458	28,261	27,231	-	27,231
CKD kits and accessories	5,641	7,781	13,422	19,719	-	19,719
	105,755	26,385	132,140	128,931	15,158	144,089

Commercial and passenger vehicles include cars held for sale, previously held for rental, amounting to RM1,122,884 (2015: Nil).

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current				
Gross trade receivables	132,123	133,341	-	-
Finance lease receivables *(see Note 10)*	3,234	5,684	-	-
Allowance for doubtful debts	(5,972)	(4,271)	-	-
	129,385	134,754	-	-
Other receivables	10,232	6,217	-	-
Goods and Services Tax ("GST") recoverable/ Sales tax refund	7,474	2,789	-	-
Sundry deposits	2,992	3,249	18	18
Prepayments	7,687	8,178	20	20
Subsidiaries	-	-	8,114	10,543
Related parties	448	146	57	58
	158,218	155,333	8,209	10,639
Non-current				
Sales tax refund	561	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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13. TRADE AND OTHER RECEIVABLES (continued)

Customers are generally granted credit periods of between 30 to 60 days (2015: 30 to 60 days). For major established customers, the credit terms may be extended to 120 days based on the discretion of the management.

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

Gross trade receivables include amounts owing by related parties amounting to RM4,975,000 (2015: RM618,000) which are trade in nature, unsecured, interest free and have a normal credit period of 60 to 120 days (2015: 60 to 120 days). The amounts owing by related parties in which a director of the Company has substantial interest are non-trade in nature, unsecured, interest free and receivable on demand.

GST recoverable/Sales tax refund includes sales tax refundable expected to be received within 12 months from report date amounting to RM1,327,499 (2015: Nil). Sales tax refundable that will be collected after 12 months from report date amounting to RM560,503 (2015: Nil) is recognised as other receivable under non-current assets.

14. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

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

	2016			2015		
	Nominal value	Assets	Liabilities	Nominal value	Assets	Liabilities
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Derivatives used for hedging						
- Forward exchange contracts	22,055	204	(254)	19,418	118	(8)

15. CASH AND BANK BALANCES

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Short term deposits	13,945	20,709	186	180
Fixed deposits	29,203	25,314	147	143
Cash at bank and in hand	40,908	48,539	4,607	440
	84,056	94,562	4,940	763

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

Fixed deposits are placed with licensed banks with effective interest rates ranging from 0.3% to 3.58% (2015: 0.3% to 3.58%) per annum. All deposits had maturity periods of less than one year.

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16. SHARE CAPITAL

	Group and Company	
	2016	**2015**
	RM'000	**RM'000**
Authorised:		
100,000,000 ordinary shares of RM1 each	100,000	100,000
Issued and fully paid:		
67,200,000 ordinary shares of RM1 each	67,200	67,200

17. TREASURY SHARES

	Group and Company			
	Number of shares		At cost	
	2016	**2015**	**2016**	**2015**
	'000	**'000**	**RM'000**	**RM'000**
At 1 January	2,098	2,097	4,209	4,206
Addition	-	1	1	3
At 31 December	2,098	2,098	4,210	4,209

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

18. RESERVES

Share premium

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

Merger reserve

Merger reserve arose from those subsidiaries identified in Note 6 which are consolidated on the merger method of accounting.

Translation reserve

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

Hedging reserve

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

18. RESERVES (continued)

Revaluation reserve

(i) Revaluation reserve relates to the revaluation of property, plant and equipment immediately prior to its 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.

19. LOANS AND BORROWINGS

	Group	
	2016	**2015**
	RM'000	**RM'000**
Non-Current		
Bank term loans (unsecured)	29,913	39,565
Hire purchase payables	36,937	19,907
	66,850	59,472
Current		
Bank term loans (unsecured)	9,602	17,246
Hire purchase payables	26,258	26,121
Bankers' acceptance (unsecured)	38,917	52,256
Revolving credits (unsecured)	163,000	148,000
Bank overdrafts (unsecured)	2,330	293
	240,107	243,916
	306,957	303,388

Hire puchase payables are payable as follows:

Group	**Future minimum hire purchase payables 2016 RM'000**	**Future finance charges 2016 RM'000**	**Present value of minimum hire purchase payables 2016 RM'000**	**Future minimum hire purchase payables 2015 RM'000**	**Future finance charges 2015 RM'000**	**Present value of minimum hire purchase payables 2015 RM'000**
Hire purchase payables:						
Less than one year	29,464	(3,206)	26,258	28,057	(1,936)	26,121
Between one and five years	39,321	(2,384)	36,937	20,899	(992)	19,907
	68,785	(5,590)	63,195	48,956	(2,928)	46,028

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19. LOANS AND BORROWINGS (continued)

The bank term loans bear effective interest rates ranging from 4.44% to 5.2% (2015: 3.85% to 5.2%) per annum.

The hire purchase payables bear flat interest rates ranging from 2.35% to 4.95% (2015: 2.83% to 4.8%) per annum.

The bankers' acceptances are unsecured and bear effective interest rates ranging from 3.6% to 4.71% (2015: 3.85% to 4.69%) per annum.

Revolving credits are unsecured and bear effective interest rates ranging from 3.75% to 4.55% (2015: 3.98% to 4.68%) per annum.

Bank overdraft is unsecured and bears effective interest rates ranging from 7.31% to 7.46% (2015: 7.1%) per annum.

20. RETIREMENT BENEFIT OBLIGATIONS

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

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

	Group		**Company**	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Present value of unfunded obligations				
At 1 January	3,824	3,096	430	299
Included in profit or loss				
Current service cost	575	588	126	114
Interest costs	220	182	25	18
	795	770	151	132
Included in other comprehensive income				
Actuarial loss	1,552	163	267	113
Others				
Benefits paid	(454)	(205)	-	(114)
At 31 December	5,717	3,824	848	430

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FOR THE YEAR ENDED 31 DECEMBER 2016
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20. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions used in respect of the retirement benefit obligations were as follows:

	Group and Company	
	2016	**2015**
Discount rate	5.0 to 6.0%	5.75 to 6.0%
Expected rate of salary increases	5.5 to 6.5%	6.5%
Price inflation	2.5%	2.5%

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

	2016		**2015**	
	Increase RM'000	**Decrease RM'000**	**Increase RM'000**	**Decrease RM'000**
Group				
Discount rate (1% movement)	(430)	496	(393)	461
Salary increase rate (1% movement)	387	(344)	433	(381)
Company				
Discount rate (1% movement)	(12)	12	(34)	40
Salary increase rate (1% movement)	-	-	35	(29)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016
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21. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Trade payables	54,140	57,609	-	-
Other payables	17,975	12,192	473	90
GST payables	66	594	-	-
Deposits received	17,345	16,366	-	-
Accruals	29,005	18,107	259	259
Subsidiaries - non-trade	-	-	5,452	8,927
Related parties - non-trade	25,597	11,710	3,595	4,327
	144,128	116,578	9,779	13,603
Non-current				
Subsidiaries - non-trade	-	-	3,600	-

The normal credit periods granted by trade suppliers range from 30 to 120 days (2015: 30 to 120 days).

The amounts owing to subsidiaries as at 31 December 2015 comprise non-trade payables which are unsecured and interest-free except for an amount of RM3,200,000 which is subject to interest fixed at 3% per annum. The non-trade payables are payable on demand.

The amounts owing to subsidiaries as at 31 December 2016 comprise non-trade payables which are unsecured, interest free and repayable on demand, except for an amount of RM3,600,000 not repayable within the next 12 months and are subject to interest fixed at 4.75% per annum.

The related parties are companies in which a director of the Company has substantial interest. The amounts owing to the related parties are unsecured, interest free and payable on demand.

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FOR THE YEAR ENDED 31 DECEMBER 2016
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22. REVENUE

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Sales of goods	202,411	215,051	-	-
Sale proceeds from disposals of assets held for rental	25,359	18,445	-	-
Services rendered including car hire income	196,405	192,086	-	-
Finance lease income	1,139	851	-	-
Operating lease income				
- Machineries	17,085	16,031	-	-
- Investment property	668	666	-	-
Insurance premium income	3,049	2,813	-	-
Dividends from subsidiaries	-	-	11,270	7,375
Dividends from jointly controlled entities	-	-	1,232	1,054
	446,116	445,943	12,502	8,429

23. PROFIT FROM OPERATIONS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging:				
Allowance for doubtful debts	2,349	1,386	-	-
Amortisation of intangible assets	84	-	-	-
Auditors' remuneration				
- Mazars PLT	229	211	25	23
- Other auditors	20	18	-	-
Non-audit fees				
- Mazars PLT and affiliates	106	139	10	10
- Other auditors	3	3	-	-
Bad debts written off	24	172	-	-
Inventories recognised as cost of sales	201,770	250,413	-	-
Depreciation of property, plant and equipment	50,881	49,649	26	33
Direct operating expenses on rental income generating investment property	153	133	-	-
Impairment in value of investment in subsidiaries	-	-	7,027	9,990
Inventories written off/down	2,524	1,104	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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23. PROFIT FROM OPERATIONS (continued)

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Loss on disposal of property, plant and equipment	67	188	-	-
Property, plant and equipment written off	1,551	775	-	-
Rental expenses				
- land and buildings	4,715	3,052	-	-
- equipment	465	389	-	-
Retirement benefit expense	795	770	151	132
Realised loss on foreign exchange, net	169	55	-	-
and crediting:				
Reversal of allowance for doubtful debts	437	1,399	-	-
Gain on disposal of property, plant and equipment	389	400	-	-
Gain on disposals of assets held for rental	6,731	3,083	-	-
Unrealised gain on foreign exchange, net	316	574	-	-
Gain on fair value adjustment on investment property	-	1,300	-	-
Dividend income from other unquoted investment	14	-	-	-
Inventories written back	417	218	-	-
Interest income				
- fixed deposits	1,219	1,534	27	58
- short term deposits	374	92	6	8

24. FINANCE COSTS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Finance costs incurred on:				
Bank term loans	4,107	3,230	-	22
Bankers' acceptances	1,798	2,098	-	-
Revolving credits	4,945	5,025	-	-
Hire purchase	2,929	1,866	-	-
Others	128	63	114	96
	13,907	12,282	114	118

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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25. TAX EXPENSE

	Group	
	2016	**2015**
	RM'000	**RM'000**
Current tax expenses		
- Current year	3,860	4,139
- Under/(Over) provision in prior year	49	(1,773)
Total current tax recognised in profit or loss	3,909	2,366
Deferred tax expenses		
- Origination and reversal of temporary differences	934	(315)
- (Over)/under provision in prior year	(65)	1,092
Total deferred tax recognised in profit or loss	869	777
Total income tax expenses	4,778	3,143

No taxation has been provided in the Company's financial statements as it has no taxable income during the financial year (2015: Nil).

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Accounting (loss)/profit	(863)	3,938	2,600	(4,285)
Tax at applicable Malaysian tax rate of 24% (2015: 25%)	(207)	985	624	(1,071)
Non-deductible expenses	6,566	4,831	2,383	3,172
Non-taxable income	(3,669)	(4,617)	(3,007)	(2,122)
Changes in unrecognised deferred tax assets	2,259	2,667	-	21
Effect of different tax rates in foreign subsidiaries	(155)	(20)	-	-
Effect of reduction in tax rate	-	(22)	-	-
Overprovision in prior years	(16)	(681)	-	-
Tax expense for the year	4,778	3,143	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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26. OTHER COMPREHENSIVE INCOME

	2016			2015		
	Before tax	**Tax effect**	**Net of tax**	**Before tax**	**Tax effect**	**Net of tax**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Items that are or may be reclassified subsequently to profit or loss						
Net change in fair value of cash flow hedge	(159)	38	(121)	342	(75)	267
Foreign exchange differences from translation	715	-	715	3,011	-	3,011
	556	38	594	3,353	(75)	3,278
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of retirement benefit obligation	(1,550)	372	(1,178)	(163)	39	(124)
Share of gain of equity accounted investment	95	(23)	72	3	(1)	2
	(1,455)	349	(1,106)	(160)	38	(122)
	(899)	387	(512)	3,193	(37)	3,156
Company						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of retirement benefit obligation	(267)	64	(203)	(113)	27	(86)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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27. EARNINGS PER SHARE

The basic earnings per share has been calculated by dividing the Group's profit for the year attributable to shareholders of the Group by the weighted average number of shares in issue:

	Group	
	2016	**2015**
(Loss)/Profit attributable to shareholders of the Company (RM'000)	(5,037)	1,185
Weighted average number of ordinary shares ('000)		
At 1 January	65,103	65,104
Effect of treasury shares purchased	-	(1)
At 31 December	65,103	65,103
Basic (loss)/earnings per share (sen)	(7.74)	1.82

28. DIVIDENDS

	Group and Company	
	2016	**2015**
	RM'000	**RM'000**
In respect of the financial year ended 31 December 2016:		
Interim single tier dividend of 2.0 sen paid on 30 September 2016	1,302	-
In respect of the financial year ended 31 December 2015:		
Final single tier dividend of 4.5 sen paid on 24 June 2016	2,930	-
Interim single tier dividend of 2.5 sen paid on 30 September 2015	-	1,627
In respect of the financial year ended 31 December 2014:		
Final single tier dividend of 4.5 sen paid on 25 June 2015	-	2,930
	4,232	4,557

At the forthcoming AGM, the directors proposed the payment of a final single tier dividend of 2.0 sen under the single tier tax system in respect of the financial year ended 31 December 2016 amounting to a dividend payable of approximately RM1.3 million. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2017.

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FOR THE YEAR ENDED 31 DECEMBER 2016
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29. EMPLOYEE INFORMATION

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Employee costs	73,503	65,386	1,693	1,613
Included in the employee costs are:				
Employees provident fund contributions	7,270	7,216	245	241
Retirement benefit obligations	795	770	151	132

30. RELATED PARTY DISCLOSURES

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

The Group and the Company have related party relationships with their direct and indirect subsidiaries, an associate, jointly controlled entities, and companies in which a director of the Company has substantial interest.

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

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

(a) Transactions with subsidiaries

	Company	
	2016	**2015**
	RM'000	**RM'000**
Management fee expense	551	514
Interest expenses	114	96

(b) Transactions with jointly controlled entities

	Group	
	2016	**2015**
	RM'000	**RM'000**
Sales	820	1,047
Travel agency, car rental and workshop services	1,653	1,197
Purchases of products	66	119

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30. RELATED PARTY DISCLOSURES (continued)

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

With TCMH group

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sales	19,208	12,895	-	-
Travel agency, car rental and workshop services	6,883	5,081	-	-
Rental income	1,282	1,130	-	-
Purchase of trucks	1,359	1,361	-	-
Purchase of spare parts	1,435	1,241	-	-
Workshop services	2,319	1,953	-	-
Rental expenses	1,109	876	-	-
Purchases of property, plant and equipment	66,850	59,442	-	-
Insurance agency services	4,963	5,077	-	-
Administrative services	7,491	6,133	-	13
Assembly services	1,840	1,624	-	-
Inspection services	89	163	-	-
Hire purchase financing and leasing	22,778	25,573	-	-
Hire purchase interest	2,562	1,866	-	-

With APM group

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sales	3	3	-	-
Travel agency, car rental and workshop services	2,016	2,281	-	-
Rental income	1,169	1,175	-	-
Purchase of spare parts	56	27	-	-
Workshop services	-	2	-	-
Rental expenses	248	34	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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31. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

Compensation paid to key management personnel during the year comprises:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-Executive Directors:				
- Fees	182	166	182	166
- Allowances	62	47	62	47
	244	213	244	213
Executive Directors:				
- Remuneration	2,295	2,235	1,288	1,174
- other short term employee benefits (including estimated monetary value of benefits-in-kind)	21	75	-	-
- Employees provident fund	327	318	245	223
- Post-employment benefits	342	-	-	-
	2,985	2,628	1,533	1,397
Other key management personnel:				
- Remuneration	2,266	5,383	-	-
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	56	166	-	-
- Employees provident fund	272	608	-	-
	2,594	6,157	-	-

The compensations paid to the Executive Directors were in respect of their contract of service or employment with the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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32. COMMITMENTS

	Group	
	2016	**2015**
	RM'000	**RM'000**
Capital expenditure commitments		
Property, plant and equipment		
Approved and contracted capital expenditure not provided for in the financial statements	15,179	3,006
Approved but not contracted capital expenditure not provided for in the financial statements	11,546	22,817

Operating lease commitments

(a) The Group as lessor

The Group has entered into lease arrangements on vehicles and machineries to earn rental income. These leases have remaining non-cancellable lease terms of between 1 and 5 years.

The future minimum lease rental receivables under non-cancellable operating leases are as follows:

	2016	**2015**
	RM'000	**RM'000**
Not later than one year	53,714	29,279
Later than one year but not later than five years	41,976	31,743
	95,690	61,022

(b) The Group as lessee

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

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

	2016	**2015**
	RM'000	**RM'000**
Not later than one year	2,715	4,785
Later than one year but not later than five years	2,492	5,932
	5,207	10,717

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33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

(i) Loans and receivables ("L&R");
(ii) Available-for-sale financial assets ("AFS");
(iii) Other financial liabilities measured at amortised cost ("OL"); and
(iv) Financial instruments at fair value through profit or loss ("FVTPL").

	Carrying Amount RM'000	L&R RM'000	AFS RM'000	OL RM'000	FVTPL RM'000
2016					
Financial assets:					
Group					
Other investments	10	-	10	-	-
Finance lease receivables	3,793	3,793	-	-	-
Trade and other receivables*	143,057	143,057	-	-	-
Derivative financial assets	204	-	-	-	204
Cash and bank balances	84,056	84,056	-	-	-
	231,120	230,906	10	-	204
Company					
Trade and other receivables*	8,189	8,189	-	-	-
Cash and bank balances	4,940	4,940	-	-	-
	13,129	13,129	-	-	-

* *Trade and other receivables exclude prepayments and GST recoverable*

33. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

	Carrying Amount RM'000	L&R RM'000	AFS RM'000	OL RM'000	FVTPL RM'000
Financial liabilities:					
Group					
Loans and borrowings	308,886	-	-	308,886	-
Trade and other payables**	142,133	-	-	142,133	-
Derivative financial liabilities	254	-	-	-	254
	451,273	-	-	451,019	254
Company					
Trade and other payables - current**	9,779	-	-	9,779	-
Other payables - non-current	3,600	-	-	3,600	-
	13,379	-	-	13,379	-

** *Trade and other payables exclude GST payables*

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FOR THE YEAR ENDED 31 DECEMBER 2016
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33. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

	Carrying Amount RM'000	L&R RM'000	AFS RM'000	OL RM'000	FVTPL RM'000
2015					
Financial assets:					
<u>Group</u>					
Other investments	10	-	10	-	-
Finance lease receivables	2,364	2,364	-	-	-
Trade and other receivables*	144,366	144,366	-	-	-
Derivative financial assets	118	-	-	-	118
Cash and bank balances	94,562	94,562	-	-	-
	241,420	241,292	10	-	118
<u>Company</u>					
Trade and other receivables*	10,619	10,619	-	-	-
Cash and bank balances	763	763	-	-	-
	11,382	11,382	-	-	-

* *Trade and other receivables exclude prepayments*

	Carrying Amount RM'000	L&R RM'000	AFS RM'000	OL RM'000	FVTPL RM'000
Financial liabilities:					
<u>Group</u>					
Loans and borrowings	303,388	-	-	303,388	-
Trade and other payables**	115,984	-	-	115,984	-
Derivative financial liabilities	8	-	-	-	8
	419,380	-	-	419,372	8
<u>Company</u>					
Trade and other payables**	13,603	-	-	13,603	-

** *Trade and other payables exclude GST payables*

33. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments

The carrying amounts of the Group's and the Company's finance lease receivables, trade and other receivables, cash and bank balances, current loans and borrowings and trade and other payables approximate fair values due to the relatively short term nature of these financial instruments. It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs. The carrying amounts of finance lease receivables, bank term loans and hire purchase payables which are all subject to normal terms approximate their fair values.

The carrying amount of the Company's non-current amount owing to subsidiaries approximate or at its fair value due to the interest charged is at market rate.

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

Level 2 - fair value of financial instruments

	Carrying amount RM'000	Fair value RM'000
2016		
Group		
Financial asset:		
Derivative financial assets	204	204
Financial liability:		
Derivative financial liabilities	(254)	(254)
2015		
Group		
Financial asset:		
Derivative financial assets	118	118
Financial liability:		
Derivative financial liabilities	(8)	(8)

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

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company have exposure to credit, liquidity, interest rate and foreign currency risks from their use of financial instruments:

(a) Credit risk

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

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

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to 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 customers who wish to trade on credit terms is subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis resulting in the Group's exposure to bad debts insignificant. Any receivable having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

At reporting date, the Group and the Company did not have any significant exposure to any individual customer or counter party or any major concentration of credit risk related to any financial asset.

Aging analysis of trade receivables

The aging analysis of the Group's trade receivables, including finance lease receivables, is as follows:

Group	Gross	Individual impairment	Net
	RM'000	RM'000	RM'000
2016			
Not past due	50,830	-	50,830
Past due 1 to 30 days	27,472	-	27,472
Past due 31 to120 days	30,083	-	30,083
Past due more than 120 days	30,765	(5,972)	24,793
	139,150	(5,972)	133,178

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Group	Gross	Individual impairment	Net
	RM'000	RM'000	RM'000
2015			
Not past due	75,597	-	75,597
Past due 1 to 30 days	27,808	-	27,808
Past due 31 to120 days	16,213	-	16,213
Past due more than 120 days	21,771	(4,271)	17,500
	141,389	(4,271)	137,118

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

	Group	
	2016	2015
	RM'000	RM'000
At 1 January	4,271	4,284
Provision	2,349	1,386
Reversal	(437)	(1,399)
Write off	(211)	-
At 31 December	5,972	4,271

(b) Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

2016	Within one year RM'000	One to five years RM'000	Total RM'000
Group			
Trade and other payables	144,128	-	144,128
Loans and borrowings	248,050	71,515	319,565
Derivative financial liabilities	254	-	254
	392,432	71,515	463,947
Company			
Trade and other payables	9,950	3,757	13,707
2015			
Group			
Trade and other payables	116,578	-	116,578
Loans and borrowings	251,530	64,298	315,828
Derivative financial liabilities	8	-	8
	368,116	64,298	432,414
Company			
Trade and other payables	13,603	-	13,603

(c) Interest rate risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

A sensitivity analysis has been performed on the outstanding floating rate bank overdrafts and term loans of the Group as at the reporting date. An increase or decrease of 50 basis points in interest rates at the reporting date would decrease or increase post-tax profit by RM26,436 (2015: RM35,827), with all other variables remain constant.

(d) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The major currencies giving rise to this risk are primarily United States Dollar ("USD"), Chinese Renminbi ("CNY"), Japanese Yen ("JPY"), Euro ("EUR"), and Vietnamese Dong ("VND"). Other currencies that contribute to this risk are Singaporean Dollar, Indonesian Rupiah, Pound Sterling, New Zealand Dollar, Australian Dollar, Hong Kong Dollar, Indian Rupee, Thailand Baht, South-Korean Won and Brunei Dollar.

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 forecast sales and purchases over the following six months. The Group uses forward exchange contracts to hedge its foreign currency risk. All forward exchange contracts have maturities of less than one year after the end of the reporting year. Where necessary, the forward exchange contracts are rolled over at maturity.

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

			2016			
Group			**Denominated in**			
In RM'000	**USD**	**VND**	**CNY**	**JPY**	**EUR**	**Others**
Trade receivables	133	-	25	29	56	-
Trade payables	-	-	-	-	(9)	(3)
Cash and bank balances	1,520	-	427	157	17	180
Net exposure	1,653	-	452	186	64	177

			2015			
Group			**Denominated in**			
In RM'000	**USD**	**VND**	**CNY**	**JPY**	**EUR**	**Others**
Trade receivables	1,400	-	1,648	2	56	-
Trade payables	(2,186)	(144)	(292)	(2,626)	(572)	(596)
Cash and bank balances	3,694	2,949	772	470	1	195
Net exposure	2,908	2,805	2,128	(2,154)	(515)	(401)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

A sensitivity analysis has been performed on the outstanding foreign currency receivables and payables of the Group as at reporting date.

A 10 percent strengthening or weakening of the above mentioned foreign currencies against Ringgit Malaysia at the reporting date would decrease or increase post-tax profit by RM192,432 (2015: RM357,825) with all other variables remain constant.

35. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholders returns.

The gearing ratios at 31 December are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Loans and borrowings *(Notes 19)*	306,957	303,388
Less: Cash and bank balances *(Note 15)*	(84,056)	(94,562)
Net debt	222,901	208,826
Total equity	318,914	329,132
Gearing ratio	70%	63%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

36. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Automotive		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	18,898	14,646	50,386	51,966	(1,545)	(2,380)	(2,573)	2,603	65,166	66,835
Included in the measure of segment profit are:										
Revenue from external customers	207,700	200,239	194,221	192,540	27,781	41,787	16,414	11,377	446,116	445,943
Inter-segment revenue	-	-	1,135	1,426	-	-	-	-	1,135	1,426
Inventories written back	-	-	-	-	-	-	417	218	417	218
Inventories written off/down	(884)	(917)	-	-	(1,056)	-	(584)	(187)	(2,524)	(1,104)
Share of profit of jointly controlled entities	-	-	-	-	-	-	1,644	1,838	1,644	1,838
Not included in the measure of segment profit but provided to Chief Executive Officer:										
Depreciation and amortisation	(11,632)	(10,736)	(37,659)	(36,932)	(742)	(983)	(773)	(790)	(50,806)	(49,441)
Finance costs	(5,221)	(4,723)	(7,038)	(5,833)	(1,648)	(1,704)	-	-	(13,907)	(12,260)
Finance income	567	616	377	404	8	33	608	482	1,560	1,535
Tax (expense)/income	(450)	759	(4,183)	(3,456)	(306)	(176)	161	(270)	(4,778)	(3,143)
Segment assets	267,549	269,932	325,428	298,235	59,140	68,742	100,920	95,920	753,037	732,829
Included in the measure of segment assets are:										
Investment in associates	-	-	148	-	-	-	-	-	148	-
Additions to non-current assets other than financial instruments and deferred tax assets	20,358	18,630	82,824	58,392	253	65	5,673	280	109,108	77,367

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

	2016	2015
	RM'000	RM'000
Profit or loss		
Total profit or loss for reportable segments	65,166	66,835
Depreciation and amortisation	(50,965)	(49,649)
Finance costs	(13,907)	(12,282)
Finance income	1,593	1,626
Non-reportable segment expenses	(2,750)	(2,592)
Consolidated (loss)/profit before tax	(863)	3,938

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
cont'd

36. SEGMENTAL ANALYSIS (continued)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Investment in associates RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2016							
Total reportable segments	446,116	(50,806)	(13,907)	1,560	148	753,037	109,108
Other non-reportable segments	-	(159)	-	33	-	8,069	93
Share of assets from equity accounted investments	-	-	-	-	-	34,007	-
Consolidated total	446,116	(50,965)	(13,907)	1,593	148	795,113	109,201
2015							
Total reportable segments	445,943	(49,441)	(12,260)	1,560	-	732,829	77,367
Other non-reportable segments	-	(208)	(22)	66	-	4,490	174
Share of assets from equity accounted investments	-	-	-	-	-	33,473	-
Consolidated total	445,943	(49,649)	(12,282)	1,626	-	770,792	77,541

37. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group 2016 RM'000	Group 2015 RM'000
Aggregate cost of property, plant and equipment acquired *(see Note 3)*	106,909	77,541
Finance via hire purchase	(50,058)	(25,573)
Net cash paid for acquisition of property, plant and equipment	56,851	51,968

38. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 5 April 2017 by the Board of Directors.

39. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company as at 31 December 2016 into realised and unrealised profits or losses, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, is as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Total retained profits				
Realised	201,518	218,689	116,246	118,081
Unrealised	10,595	11,298	-	-
	212,113	229,987	116,246	118,081
Total share of retained profits of jointly controlled entities				
Realised	15,708	15,271	-	-
Unrealised	938	905	-	-
	16,646	16,176	-	-
Add: Consolidation adjustments	18,706	11,363	-	-
Total retained profits as per statement of financial position	247,465	257,526	116,246	118,081

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

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

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the directors, the financial statements set out on pages 57 to 132 are drawn up:

(a) so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2016 and of their financial performances and cash flows for the year then ended; and

(b) in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965.

In the opinion of the directors, the information set out in Note 39 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements* as issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a directors' resolution dated 5 April 2017.

TAN KENG MENG
Director

CHIN TEN HOY
Director

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Michael Wong Chung Hau, being the person primarily responsible for the financial management of Warisan TC Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements for the year ended 31 December 2016 as set out on pages 57 to 133 are correct.

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

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
on 5 April 2017)
)
)
)
) **MICHAEL WONG CHUNG HAU**

Before me:

TAN KIM CHOOI
No. W661
Commissioner for Oaths
(Pesuruhjaya Sumpah)
Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of WARISAN TC HOLDINGS BERHAD will be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Friday, 26 May 2017 at 10:30 a.m. to transact the following businesses:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. ***Resolution 1***

2. To declare a final single tier dividend of 2.0 sen per share for the financial year ended 31 December 2016. ***Resolution 2***

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

   (i) Dato' Chong Kwong Chin ***Resolution 3***
   (ii) Mr Tan Keng Meng ***Resolution 4***

4. To re-elect the following Directors who retire and being eligible, have offered themselves for re-election, in accordance with Article 76 of the Company's Articles of Association, as Directors of the Company:

   (i) Mr Lee Min On ***Resolution 5***
   (ii) Mr Chin Ten Hoy ***Resolution 6***

5. To re-appoint Mazars PLT as Auditors of the Company for the financial year ending 31 December 2017 and to authorize the Directors to fix their remuneration. ***Resolution 7***

Special Business

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

6. **DIRECTORS' FEES**

   "THAT approval be and is hereby given for the Company to pay Directors' fees of up to an amount of RM350,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 1 January 2017 until the next Annual General Meeting of the Company." ***Resolution 8***

7. **DIRECTORS' BENEFITS**

   "THAT approval be and is hereby given for the Company to pay Directors' benefits of up to an amount of RM117,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 1 January 2017 until the next Annual General Meeting of the Company." ***Resolution 9***

NOTICE OF ANNUAL GENERAL MEETING
cont'd

8. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

8.1 "THAT approval be and is hereby given for Dato' Chong Kwong Chin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to be designated as an Independent Non-Executive Director of the Company." ***Resolution 10***

8.2 "THAT approval be and is hereby given for Datuk Abdullah bin Abdul Wahab who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to be designated as an Independent Non-Executive Director of the Company." ***Resolution 11***

9. **PROPOSED GRANT OF AUTHORITY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

"THAT, subject always to the Companies Act, 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approvals and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 75 of the Act to allot and issue shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares allotted and issued pursuant to this resolution do not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) for the time being of the Company AND THAT in accordance with the provisions of Section 76 of the Act, such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or at the expiry of the period within which the next AGM of the Company is required by law to be held, whichever is the earlier." ***Resolution 12***

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

NOTICE OF ANNUAL GENERAL MEETING
cont'd

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 will expire:

(i) at the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

(ii) at the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities." ***Resolution 13***

11. **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 28 April 2017 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–

(i) until 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) at the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." ***Resolution 14***

NOTICE OF ANNUAL GENERAL MEETING
cont'd

12. **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 28 April 2017 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–

(i) until 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) at the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate." ***Resolution 15***

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Twentieth Annual General Meeting of Warisan TC Holdings Berhad, a final single tier dividend of 2.0 sen per share for the financial year ended 31 December 2016 will be paid on 23 June 2017. The entitlement date shall be 2 June 2017.

A depositor shall qualify for the entitlement to the dividend only in respect of:

(1) shares transferred into the depositor's securities account before 4:00 p.m. on 2 June 2017 in respect of ordinary transfers; and

(2) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.

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

Kuala Lumpur
28 April 2017

NOTICE OF ANNUAL GENERAL MEETING
cont'd

NOTES:

1. A depositor whose name appears in Record of Depositors of the Company as at 17 May 2017 ("Record of Depositors") shall be regarded as a member entitled to attend, speak and vote at the meeting.

2. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies to attend and vote for him at the meeting. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.

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

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

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

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

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

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

8. The Form of Proxy must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd 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 not less than forty-eight hours before the time appointed for the meeting.

9. 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 Annual General Meeting will be put to vote by poll.

10. Dato' Seow Thiam Fatt, who is over the age of 70 years, was re-appointed as Director of the Company at the 19th Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965 held on 26 May 2016 to hold office until the conclusion of the 20th Annual General Meeting. Dato' Seow has informed the Board that he will not seek re-election as Director of the Company and accordingly, he will retire at the conclusion of the 20th Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

(1) Resolution 7 – Re-appointment of Mazars PLT as Auditors

Mazars, a conventional partnership was converted to a limited liability partnership, Mazars PLT, pursuant to Section 29 of the Limited Liability Partnerships Act, 2012 ("LLP Act") as from the date of registration on 17 February 2017. Under Section 29 of the LLP Act, a conventional partnership may be converted to a limited liability partnership if and only if the partners of the limited liability partnership to which the conventional partnership is to be converted, comprises all the partners of the conventional partnership and no one else.

Pursuant to Section 39 of the LLP Act, as from the date of registration of Mazars PLT, the re-appointment of Mazars as Auditors of the Company pursuant to a resolution passed at the 19th Annual General Meeting took effect and operated as if Mazars PLT were re-appointed Auditors of the Company instead of Mazars.

The Audit Committee has considered the re-appointment of Mazars PLT as Auditors of the Company based on the criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Mazars PLT are approved company auditors and have consented in writing to act as Auditors of the Company as required under Section 264 of the Companies Act, 2016. Both the Audit Committee and the Board have accordingly recommended the re-appointment of Mazars PLT as Auditors of the Company.

(2) Resolutions 8 and 9 – 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 Independent Non-Executive Directors ("INEDs"). 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 approves a maximum aggregate amount of RM350,000 for the payment of Directors' fees to the INEDs of the Company during the course of the period from 1 January 2017 until the next Annual General Meeting of the Company.

The Board also recommends that shareholders approve a maximum aggregate amount of RM117,000 for the payment of benefits which mainly consist of meeting allowances (i.e as Chairman of the Meeting : RM1,500 per meeting and as Board/Board Committee members : RM1,200 per meeting) to the INEDs of the Company during the course of the period from 1 January 2017 until the next Annual General Meeting of the Company.

(3) Resolutions 10 and 11 – Continuing in office as Independent Non-Executive Directors

Pursuant to the Malaysian Code on Corporate Governance 2012, it is recommended that approval of shareholders be sought in the event that the Company intends to retain the independent director who has served in that capacity for more than nine (9) years.

Following an assessment and recommendation by the Nominating Committee, the Board recommended that Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab who have served as INEDs for a cumulative term of more than nine (9) years to continue to be designated as INEDs of the Company based on the following key justifications:

(i) they fulfil the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, therefore, are able to bring independent and objective judgement to the Board;

(ii) their relevant experience and expertise in accounting, audit, legislative and administrative aspects would enable them to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contributions and competence;

(iii) they possess greater insight and knowledge of the businesses, operations and business strategies of the Group which enable them to contribute actively and effectively during deliberations at Board Committees and Board meetings;

NOTICE OF ANNUAL GENERAL MEETING

cont'd

(iv) they devote sufficient time and exercise due care as Independent Directors of the Company and carry out their duties diligently in the interest of the Company and shareholders; and

(v) from their perfect attendance record at Board and Board Committee meetings, it is demonstrable of their commitment towards the Company's needs.

(4) Resolution 12 – Proposed Grant of Authority Pursuant to Sections 75 and 76 of the Companies Act, 2016

The Company continues to consider opportunities to broaden the operating base and earnings potential of the Company. If any of the expansion or diversification proposals involve the issue of new shares, the Directors of the Company, under normal circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the total number of issued shares (excluding treasury shares) of the Company.

To avoid delay and cost involved in convening a general meeting to approve such issuance of shares, the Directors of the Company had obtained the general mandate at the Company's 19th Annual General Meeting held on 26 May 2016 to allot and issue shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being, for such purpose. The Company has not issued any new shares under the general mandate granted to the Directors at the 19th Annual General Meeting which will lapse at the conclusion of the 20th Annual General Meeting to be held on 26 May 2017.

A renewal of the mandate is being sought at the 20th Annual General Meeting under proposed Resolution 12. The renewed mandate, unless revoked or varied at a general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

(5) Resolution 13 – Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

The proposed Resolution 13, 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, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, 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 28 April 2017 despatched together with the Company's 2016 Annual Report.

(6) Resolutions 14 and 15 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The proposed Resolutions 14 and 15, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on Resolutions 14 and 15 are set out in the Circular to Shareholders dated 28 April 2017 despatched together with the Company's 2016 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 20th Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, the member (i) consents to the collection, use and disclosure of the member'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 and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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 the member discloses the personal data of the member's proxy(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) 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) 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.

WARISAN TC HOLDINGS BERHAD (424834-W)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.

I/We ____ (*name of shareholder, in capital letters*)
NRIC No./Company No. ______________________________ (*new*) ______________ (*old*)
of ____
____ (*full address*)
telephone no. __________________________ being a member(s) of WARISAN TC HOLDINGS BERHAD,
hereby appoint __________________________________ (*name of proxy as per NRIC, in capital letters*)
NRIC No. __________________________ (*new*) __________________________ (*old*) and/or
____(*name of proxy as per NRIC, in capital letters*)
NRIC No. __________________________ (*new*) ______________________ (*old*) or failing him/her,
the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Pacific Ballroom, Level 2, Seri Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Friday, 26 May 2017 at 10:30 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Resolution 1	Financial Statements and Reports of the Directors and Auditors		
Resolution 2	Final Single Tier Dividend		
Resolution 3	Re-election of Dato' Chong Kwong Chin as Director		
Resolution 4	Re-election of Mr Tan Keng Meng as Director		
Resolution 5	Re-election of Mr Lee Min On as Director		
Resolution 6	Re-election of Mr Chin Ten Hoy as Director		
Resolution 7	Re-appointment of Mazars PLT as Auditors		
Resolution 8	Directors' Fees		
Resolution 9	Directors' Benefits		
Resolution 10	Continuing in office as Independent Non-Executive Director for Dato' Chong Kwong Chin		
Resolution 11	Continuing in office as Independent Non-Executive Director for Datuk Abdullah bin Abdul Wahab		
Resolution 12	Proposed Grant of Authority pursuant to Sections 75 and 76 of the Companies Act, 2016		
Resolution 13	Proposed Renewal of Authority for the Company to purchase its own ordinary shares		
Resolution 14	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Resolution 15	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad and its subsidiaries		

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

____
Signature/Common Seal

Number of shares held: ______________

Date: ______________

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

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%

Notes:

1. A depositor whose name appears in Record of Depositors of the Company as at 17 May 2017 ("Record of Depositors") shall be regarded as a member entitled to attend, speak and vote at the meeting.

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

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

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

5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
   (i) the securities account number;
   (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
   (iii) where two (2) proxies are appointed, the proportion of ordinary shareholdings or the number of ordinary shares to be represented by each proxy.

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

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

8. The Form of Proxy must be deposited at the office of the Company's Share Registrar, **Tricor Investor & Issuing House Services Sdn Bhd, 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 alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,** not less than forty-eight hours before the time appointed for the meeting.

9. 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 Annual General Meeting will be put to vote by poll.

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here

WARISAN TC HOLDINGS BERHAD

C/O Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 20th Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member'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 and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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 the member discloses the personal data of the member's proxy(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) 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) 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.

PERSONAL DATA PROTECTION NOTICE
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Your written requests or queries pertaining to your personal data should be addressed to:

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Attention : Ms Lim Lay Kiow, Senior Manager
Tel No. : +603-2783 9299
Fax No. : +603-2783 9222
Email : lay.kiow.lim@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
28 April 2017

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.

NOTIS PERLINDUNGAN DATA PERIBADI

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Untuk Perhatian	: Ms Lim Lay Kiow, Pengurus Kanan
No. Tel	: +603-2783 9299
No. Fax	: +603-2783 9222
Emel	: lay.kiow.lim@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 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
28 April 2017

WARISAN TC HOLDINGS BERHAD(424834-W)

62-68, Jalan Sultan Azlan Shah
51200 Kuala Lumpur

Telephone : +603 4047 8888
Facsimile : +603 4047 8636
Email : corporate@warisantc.com