



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



**Mayflower**



ANNUAL REPORT 2019

# TABLE OF CONTENTS

2	Corporate Information
3	Business Divisions
4	Corporate Structure
5	President's Statement
7	Management Discussion and Analysis
15	Financial Charts
16	5-Year Financial Highlights
17	Profile of Directors
20	Profile of Key Senior Management
23	Sustainability Statement
34	Corporate Governance Overview Statement
42	Audit Committee Report
47	Risk Management and Internal Control Statement
51	Additional Compliance Information
52	Analysis of Shareholdings
55	Group Properties
56	Statement on Directors' Responsibility for preparing the Annual Audited Financial Statements

## FINANCIAL STATEMENTS

57	Directors' Report
62	Independent Auditors' Report
66	Consolidated Statement of Financial Position
68	Consolidated Statement of Profit or Loss and Other Comprehensive Income
70	Consolidated Statement of Changes in Equity
72	Consolidated Statement of Cash Flows
75	Statement of Financial Position
76	Statement of Profit or Loss and Other Comprehensive Income
77	Statement of Changes in Equity
78	Statement of Cash Flows
79	Notes to the Financial Statements
146	Statement by Directors
146	Statutory Declaration
147	Notice of Annual General Meeting
154	Administrative Notes
	Form of Proxy
	Personal Data Protection Notice



## CORPORATE INFORMATION

### DIRECTORS

#### DATO' TAN HENG CHEW

President

#### TAN KENG MENG

Chief Executive Officer

#### CHIN TEN HOY

Executive Vice-President

#### DATUK ABDULLAH BIN ABDUL WAHAB

Senior 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

#### Datuk Abdullah bin Abdul Wahab

Lee Min On

### NOMINATING AND REMUNERATION COMMITTEE

#### Datuk Abdullah bin Abdul Wahab

Chairman

#### Dato' Chong Kwong Chin

Lee Min On

### COMPANY SECRETARIES

Ang Lay Bee

Ng Boon Ngee

### REGISTERED OFFICE

62-68, Jalan Sultan Azlan Shah  
51200 Kuala Lumpur  
Malaysia

Tel : +603 4047 8888

Fax : +603 4047 8636

### CORPORATE OFFICE

No. 15-3, Tingkat 3

Jalan Ipoh Kecil

50350 Kuala Lumpur

Malaysia

Tel : +603 4047 9733

Fax : +603 4047 9722

Email : corporate@warisantc.com

Website : www.warisantc.com.my

### SHARE REGISTRARS

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

Fax : +603 2783 9222

Email : is.enquiry@my.tricorglobal.com

### AUDITORS

Mazars PLT

Wisma Golden Eagle Realty

11th Floor, South Block

142-A, Jalan Ampang

50450 Kuala Lumpur

Malaysia

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

(Listed on 15 December 1999)

## BUSINESS DIVISIONS



### AUTOMOTIVE

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



### TRAVEL & CAR RENTAL

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



### MACHINERY

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



### OTHERS

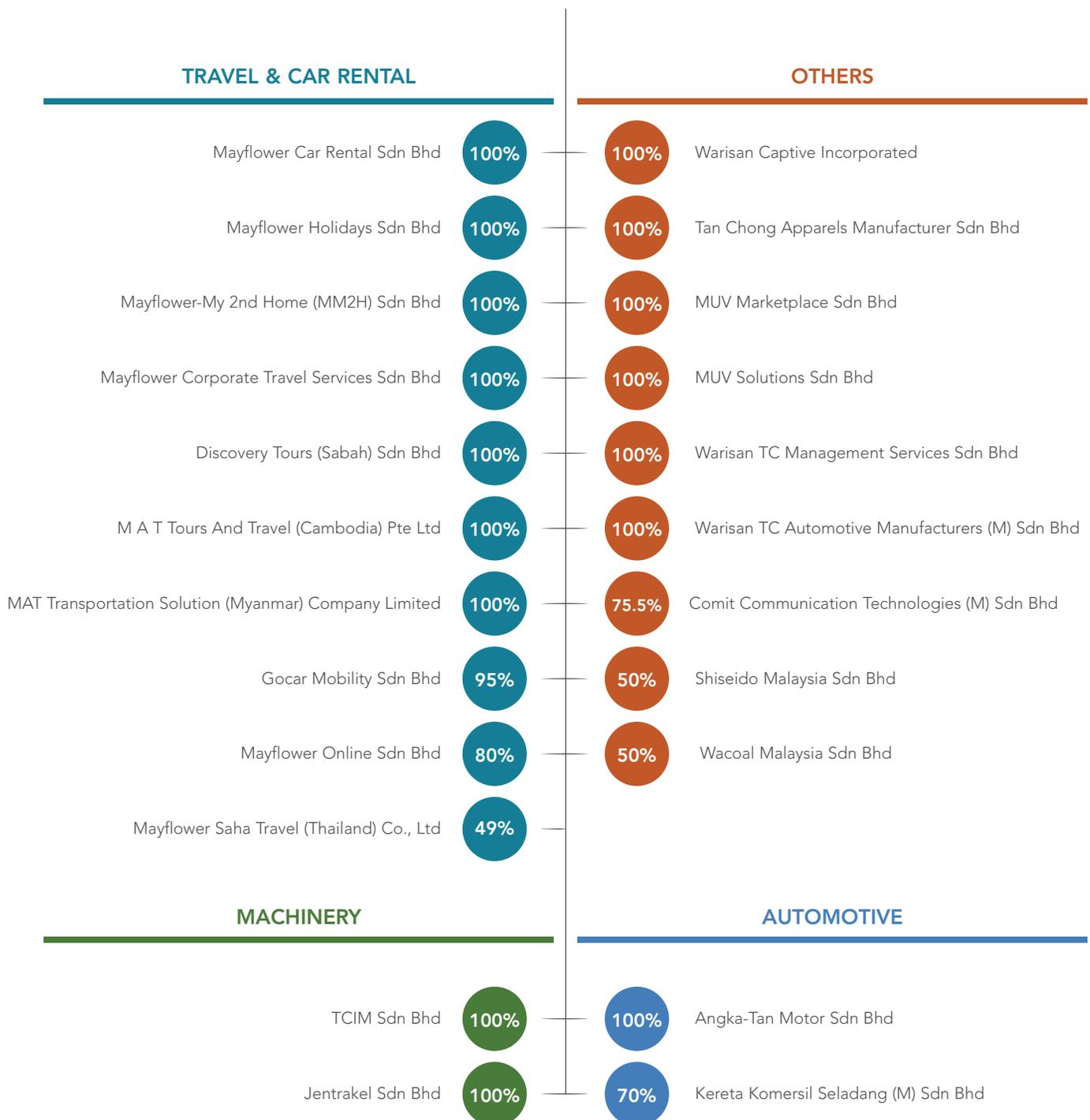
- Used vehicle auction
- Property Investment
- Assembly of passenger vehicle
- Cosmetics
- Lingerie

# CORPORATE STRUCTURE

AS AT 29 MAY 2020



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



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 2019 ("FY2019").

The Year 2019 was particularly difficult for the Group as it was dominated by challenging economic and geopolitical developments that weighed on the business landscape in Malaysia and across the region. The ongoing trade conflict between the two largest world economies, namely the United States of America (USA) and the People's Republic of China (China), and the resulting global political tension have resulted in economic uncertainties in Malaysia. Domestically, the implementation of various economic reforms by the then government has resulted in the postponement of mega projects due to renegotiation of contracts, further dampened the local economic sentiments which have a direct impact on the business environment the Group operates in.

Despite such challenges, the Group continues to roll out its business plans, expanding into overseas market with the aim of enhancing future earnings and sustainable growth. MAT Transportation Solution (Myanmar) Company Limited, which was incorporated in April 2018, has pushed the frontier of the car rental business by securing long term lease of 52 cars in Myanmar for year 2019 (2018: NIL).

The digital transformation of the global economy is happening at breakneck speed and this digital economy has resulted in billions of daily online connectivity among people, businesses, devices, and data processes. It is taking shape and undermining conventional notion about how businesses are structured; how firms interact; and how consumers obtain services, information and goods.

Mindful of such potential, the Group has embarked and improved on the digital adoption within the Group via MUV Marketplace Sdn Bhd, which provides e-bidding vehicle service auction; Gocar Mobility Sdn Bhd, which operates a Malaysian homegrown on-demand car sharing mobile application/platform; and Mayflower Online Sdn Bhd, which provides multiple travel products and services via our one-stop electronic and web platform.

Despite the downside of the gestation costs related to new business ventures and its adverse impact on our short-term financial performance, the Group strongly believes that these are pivotal to its long term sustainability and future.

# PRESIDENT'S STATEMENT

cont'd

## FINANCIAL PERFORMANCE

The Group's financial performance was affected by the challenging and difficult business environment. Group Revenue was RM439.8 million in FY2019 (2018: RM497.0 million) with loss before tax of RM4.3 million (2018: profit before tax RM9.6 million). The cautious customers' and consumers' sentiments, coupled with stringent loan approval by financial institutions, have direct impact on the Group's results in 2019.

Notwithstanding the above, the Group's financial position remained healthy with shareholders' funds at RM324.0 million (2018: RM335.6 million), cash and bank balances of RM51.1 million (2018: RM46.4 million) and net gearing ratio of 0.49 (2018: 0.59) times of shareholders' funds as at 31 December 2019.

## DIVIDENDS

In view of the uncertainties in the global environment, exacerbated by the outbreak of Covid-19, the Board does not recommend the payment of dividend for FY2019 (2018: total net dividend of 4.0 sen per share).

## OUTLOOK

The outlook for 2020 remains difficult and challenging in view of the current trade war between USA and China, and the global Covid-19 pandemic, which resulted in widespread imposition of travel restrictions, movement control orders ("MCO") and suspension of business operations. The outbreak of Covid-19, coupled with the stringent measures taken by various countries to contain the spread, has impacted numerous industries, including those that the Group operates in.

The Group will remain cautious and continue to chart out various strategies, which include efforts to increase efficiency and cost reduction to counter any negative impact that may arise in the coming years. We will continue our efforts to prepare and realign the Group's strategies for the challenges ahead and, I believe, with the strong foundation that we have laid over the years, and the capable leadership of our Management, the Group will navigate through and weather the headwinds in 2020.

## APPRECIATION

On behalf of the Board, I would like to extend my sincere appreciation to our loyal shareholders, valued customers, suppliers, financiers, business partners and the relevant authorities whom we have been dealing with over the years for their unwavering support to the Group.

Last but not least, my heartfelt thanks go to all employees and my fellow Board members for their dedication and contributions throughout the years.

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

President

18 May 2020

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2019 HIGHLIGHTS

### EVENTS



### May 2019

Major breakthrough for Mayflower Group's ventures into overseas market where MAT Transportations Solutions (Myanmar) Company Limited ("MATTS") and UAB Bank ("UAB") of Myanmar entered into corporate fleet management partnership. In meeting UAB's business and operational needs, MATTS provides UAB with up to 170 units of vehicles including preventive maintenance packages and advanced telematics system with enabled real-time tracking and monitoring of vehicles.



### July 2019

Warisan TC Holdings Berhad is proud to be the recipient of the CSR Malaysia Award 2019 - "Company of the Year under the Automotive and Consumer Products category". The event was officiated by the Deputy Women, Family and Community Development Minister in recognition of the Group's efforts in contributing to the society.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## December 2019

Gocar Mobility Sdn Bhd ("GoCar") has partnered with Express Rail Link Sdn Bhd ("ERL") to reinforce the first and last mile connectivity for commuters when taking public transits. This strategic partnership aims to further uplift the usage of public transport in Malaysia, aligning with the mission of the Ministry of Transport.



Raising a hefty RM100,000, GoCommunity's Christmas charity dinner and auction (powered by GoCar and Robson 7) was a resounding success; a result of the generosity of sponsors, partners and volunteers. The proceeds from the auction went towards supporting E-Illuminate, a social enterprise that advocates education for disadvantaged children.



## AWARDS & RECOGNITIONS

During the year, Mayflower Travel continued to garner many industry accolades in recognition for its service and contribution to the industry, which include the following:

- China Airlines – Top Sales Award 2018;
- Cathay Pacific / Cathay Dragon – Top Agents 2018;
- Korean Air – Million Dollar Agent 2018;
- Singapore Airlines – Top Agency 2018/2019;
- Malaysia Airlines – Top Growth 2019;
- Thai Airways – Top Sales Agent 2019;
- Emirates – Outstanding Sales Performance 2017/18;
- Eva Airways – Top Achievement 2018;
- Hahn Air – Top Selling Agencies in Malaysia 2018;
- Etihad Airways – Top Performance Awards 2019;
- AIG – Top Supporting Travel Agent 2018; and
- Mastercard – Data Excellence in Central Travel Solution 2019.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Warisan TC Holdings Berhad was incorporated in Malaysia on 26 March 1997 with the main activities grouped under 4 main divisions as follows:

 <b>Travel &amp; Car Rental</b>	 <b>Machinery</b>	 <b>Automotive</b>	 <b>Others</b>
<ul style="list-style-type: none"> <li>• Inbound and outbound tour</li> <li>• Corporate travel</li> <li>• Airline ticketing</li> <li>• One-stop online travelling solution</li> <li>• Car and coach rental</li> <li>• Chauffeur service</li> <li>• On demand car sharing platform via GoCar mobile application</li> </ul>	<ul style="list-style-type: none"> <li>• Material handling equipment, forklift, factory scrubber and sweeper</li> <li>• Construction equipment (road, earthwork, quarry and mining)</li> <li>• Off-road dump truck</li> <li>• Agricultural tractor, golf and turf equipment</li> <li>• Engine and generator</li> <li>• Air compressor</li> </ul>	<ul style="list-style-type: none"> <li>• Light commercial truck</li> <li>• Heavy commercial truck</li> <li>• Pick-up truck</li> </ul>	<ul style="list-style-type: none"> <li>• Used vehicle auction</li> <li>• Property investment</li> <li>• Assembly of passenger vehicle</li> <li>• Cosmetics</li> <li>• Lingerie</li> </ul>

The Group's objectives are to deliver consistent growth to our shareholders and other stakeholders by adopting a relentless pursuit for excellence via introduction of new innovative business ideas and providing unmatched products and service quality to our valued customers at all time.

The Group's abilities to identify, source for and market quality products at competitive pricing, coupled with improving customer satisfaction through our well-trained staff and customer service, is pivotal towards achieving its objectives.

## OVERVIEW

The global economy and global trade expanded by 2.9% and 1.0% respectively in 2019 (2018: 3.6% and 3.7%, respectively), which were the lowest since the global financial crisis a decade ago. The sharp moderation in growth of both economic and trade activities was due mainly to the protracted and unresolved global trade tensions as rising trade barriers and associated uncertainties weigh on business sentiments and activity worldwide. Similarly, uncertainty on domestic policy arising from the review of infrastructure projects also dampened overall sentiments in Malaysia. Net financing growth in Malaysia was lower at 5.0% (2018: 5.8%), whilst the outstanding loans grew by 4.0% (2018:5.2%) as a result of tighter controls deployed by financial institutions, mainly weighed down by cautious borrowing sentiments during the year.

## GROUP FINANCIALS



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

For the financial year ended 31 December 2019, the Group recorded revenue of RM439.8 million (2018:RM497.0 million) and loss before tax of RM4.3 million (2018: profit before tax of RM9.6 million) as a result of subdued performance in the overall construction industry; and stringent loan approval processes, which adversely impacted the Machinery and Automotive Divisions. The introduction of MFRS 16 on leases in 2019 resulted in knee-jerk reaction for customers in assessing the accounting approach between leasing or outright purchase of property, plant and equipment and its impact on their books. The need to adopt MFRS 16 - Leases by customers in their financial reporting impacted our car rental business adversely.

Despite the loss recorded, the financial position of the Group remained healthy with shareholders' fund at RM324.0 million (2018: RM335.6 million), cash and bank balances of RM51.1 million (2018: RM46.4 million) and net gearing ratio of 0.49 (2018:0.59) times of shareholders' fund as at 31 December 2019.

Higher net cash generated from operating activities of RM137.0 million (2018: RM79.9 million) was recorded during the year as a result of efficient and prudent financial management policies, continuously implemented within the Group.

### SEGMENT RESULTS AND ANALYSIS

#### Travel & Car Rental

It has been a challenging year for this Division as a result of various unfavourable conditions during the year. Trade sanctions imposed by USA against China, Europe and India, have resulted in global economic uncertainties. Such uncertainties have ripple effect on the rising cost of living and customers spending patterns which adversely affected the performance of this Division.

For the financial year ended 31 December 2019, this Division recorded lower revenue of RM150.4 million as compared to RM168.3 million in 2018. This resulted in lower profit recorded in 2019 at RM37.6 million as compared to RM54.1 million in 2018.



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

This Division operates 2 major strategic business units under the Mayflower brand, namely the Travel subdivision ("Mayflower Travel") and Car Rental subdivision ("Mayflower Car Rental").

Mayflower Travel provides a range of travel and tours services, which includes inbound, outbound, corporate incentive tours, medical tourism, education tourism and air ticketing services with offices in Malaysia, Cambodia and Thailand. In line with the market demand, Mayflower Travel has embarked on the technology trend by providing its customers the option to perform online transactions from its Mayflower Online platform.

Mayflower Car Rental provides car leasing and rental, coach and chauffeur services in Malaysia and Myanmar. The implementation of MFRS 16 on leases has an adverse impact on the car leasing business as corporate customers weigh on the options of leasing or outright purchase of vehicles for their operational needs. To address this, Mayflower Car Rental has various mitigating options, which include the re-deployment of cars via our on-demand car sharing mobile platform for individual users and the disposal of any excess cars via our own online vehicle auction services.

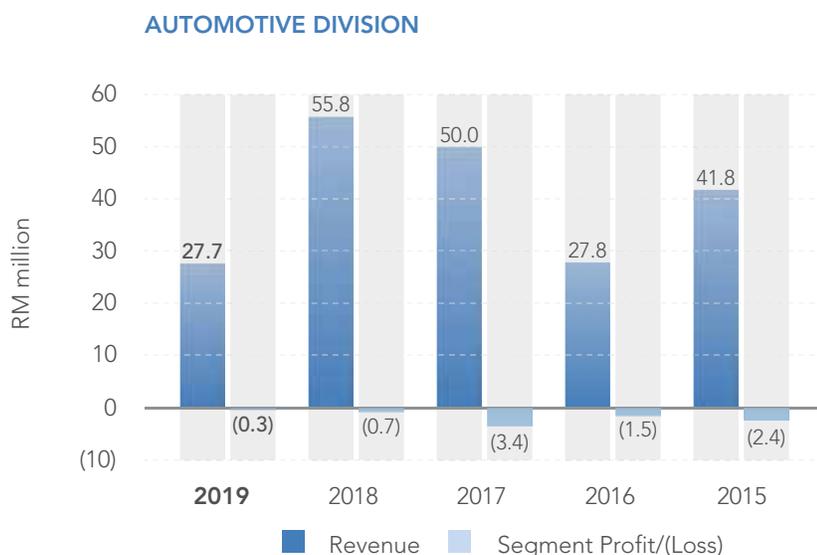
GoCar Mobility Sdn Bhd ("GoCar"), which is Mayflower Car Rental Sdn Bhd's 95% owned subsidiary, is the pioneer in revolutionising the traditional car rental industry in Malaysia, where users are able to rent cars via GoCar smartphone application by the hour as compared to traditional daily rates. GoCar's business has now grown to over 400 locations in Malaysia with more than 1,000 cars and close to 60,000 registered users as at end of 2019.

Mayflower Car Rental has also successfully ventured into Myanmar market via MAT Transportation Solution (Myanmar) Company Limited ("MATTS"), a wholly owned subsidiary of Warisan TC Holding Berhad, to undertake the business of rental and leasing of cars and coaches. As at 31 December 2019, MATTS has successfully deployed 52 cars in Myanmar.

### Automotive

This Division is mainly involved in the distribution of Foton Chinese vehicles under the brand name Auman (for heavy commercial vehicles), Aumark (for light commercial vehicles) and Bison Savanna (for pickup trucks).

The total number of commercial vehicles registered in the country during the year fell by 17.4% to 54,108 units (2018: 65,512 units). The higher statistics in 2018 were also a result of 3 months of GST-free tax holidays which boosted vehicle sales in year 2018. The Automotive Division thus recorded lower segment revenue in 2019 at RM27.7 million as compared to RM55.8 million in the preceding year. Despite the lower revenue, the Automotive Division has managed to contain its losses at RM0.3 million (2018: RM0.7 million) due to different product-mix and cost control measures implemented throughout the year.



The automotive industry in Malaysia is expected to face similar challenges in the near future as a result of moderation in consumer spending and stringent lending requirements.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

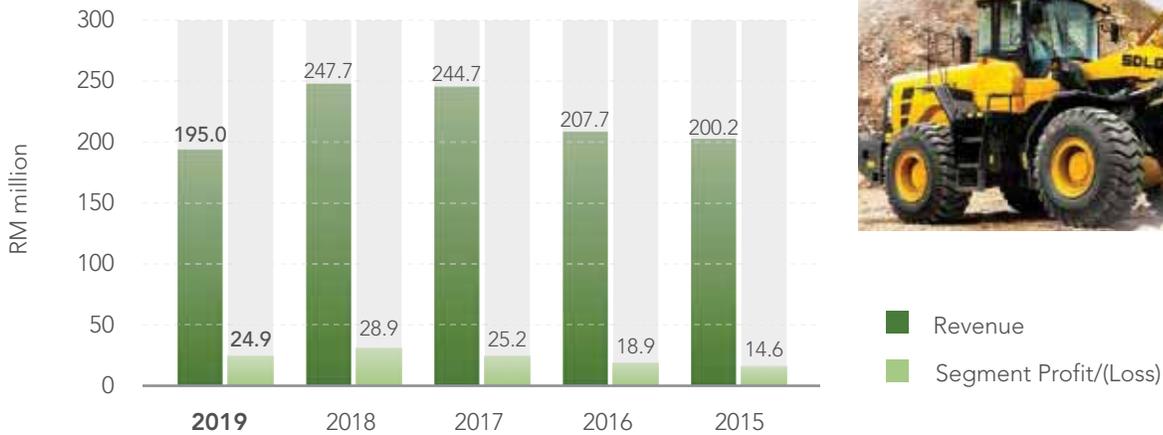
## Machinery

This Division distributes a wide range of equipment and machinery, including, but not limited to, Sumitomo excavators, SDLG wheel loaders, Sakai compactors, Gehl backhoe loaders, John Deere tractors, golf and turf equipment, Tonly off-road trucks, Unicarriers forklifts and Dulevo sweepers. 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, Sibul, Kota Kinabalu and Sandakan.

The segment revenue and segment profit of Machinery Division reduced to RM195.0 million (2018: RM247.7 million) and RM24.9 million (2018: RM28.9 million) respectively due to a weakened demand for machinery and equipment as customers and construction players remained cautious in the midst of an uncertain economic environment and delayed implementation of projects.

The growth in the construction sector moderated to 0.1% in 2019 (2018: 4.2%), reflecting mainly the completion and near completion of large infrastructure and mixed development projects. This trend is expected to continue in the coming year which may have further impact on the Division's performance in the near future.

MACHINERY DIVISION

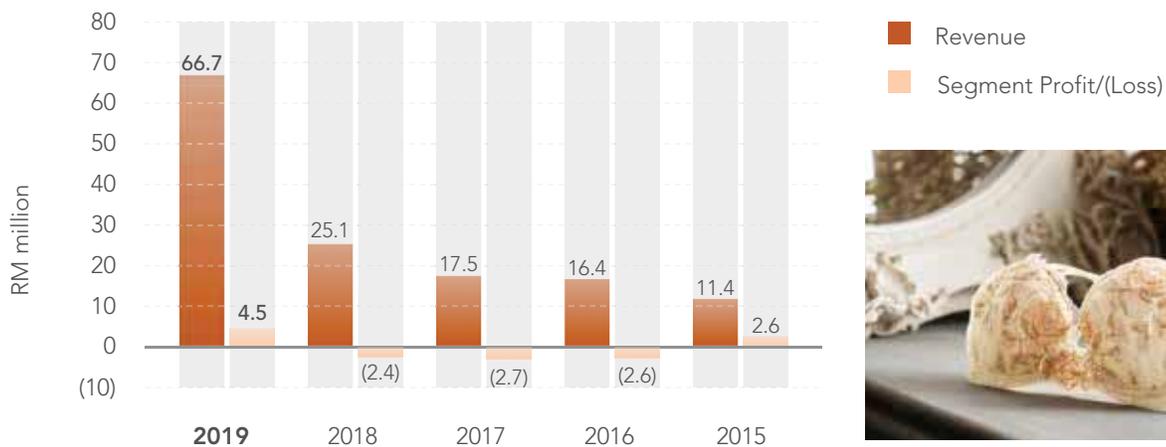


# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## Others

Other business includes online vehicle auction services, captive insurance services, consumer products, assembly of motor vehicles and property investments.



Segment revenue increased to RM66.7 million from RM25.1 million in the preceding year. The increase in revenue was mainly contributed by MUV Marketplace Sdn Bhd, which provides online vehicle auction services where the number of used vehicles traded has increased by more than 50% as compared to 2018.

The Group's share of profits from its jointly controlled entities companies, namely Wacoal Malaysia Sdn Bhd ("Wacoal Malaysia") and Shiseido Malaysia Sdn Bhd ("Shiseido Malaysia") increased to RM6.8 million in 2019 as compared to RM3.7 million in the preceding year. Both Wacoal Malaysia and Shiseido Malaysia managed to weather the challenging consumer market as a result of their product quality, strong branding and customer loyalty.

Due to the revenue increase and higher share of profits from the jointly controlled entities companies, this segment registered a profit of RM4.5 million for the current year as compared to a segment loss of RM2.4 million in the previous year.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## Outlook and Prospects

As we entered 2020, there are concerns over the impact of the economic fallout from the Covid-19 pandemic that may drive the global economy into recession. Unprecedented policies to control, mitigate and prevent the spread of this new virus have all resulted in the world under near-complete lockdown since March 2020. Employers have both been struggling to keep their businesses afloat, with many trying to balance between lower revenue and fixed overheads.

In Malaysia, the Federal Government has announced an initial RM250 billion stimulus package in March 2020 which comprises loan deferments, one-off cash assistance, credit facilities and rebates. Subsequently, an additional RM10 billion stimulus package was introduced to alleviate the plight of small and medium sized enterprises. However, the recent oil price slump and the expected lower revenue to the country's coffer may take its toll on the development plan within the country.

The International Monetary Fund (IMF) has concluded that recession in 2020 is inevitable and it is a challenge to predict the exact time when the global business and supply chain will return to normal.

Against such backdrop, the Group has taken active cost containment measures and review of businesses and opportunities. The Group will remain cautious in addressing these challenges head on, through the implementation of proactive and robust policies to ensure its continued sustainability.

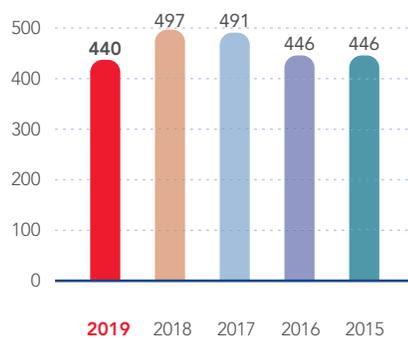
## Dividend Policy

The Group does not intend to establish a fixed dividend policy at this point in time due to the Group's reliance on identifying and nurturing new business prospects to supplement our existing business. Accordingly, the quantum of our dividend pay-out will be determined in tandem with cash flow requirements and business expansion plan on a yearly basis.

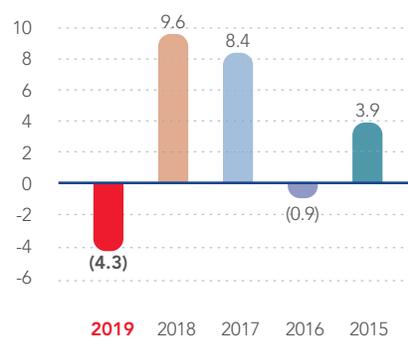
In view of the uncertain global economy and the protracted outbreak of Covid-19, the Board does not recommend any dividend for the financial year ended 31 December 2019 (2018: total net dividend of 4.0 sen).

# FINANCIAL CHARTS

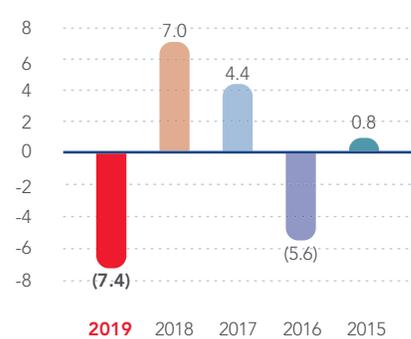
**REVENUE**  
(RM Million)



**(LOSS)/PROFIT BEFORE TAX**  
(RM Million)



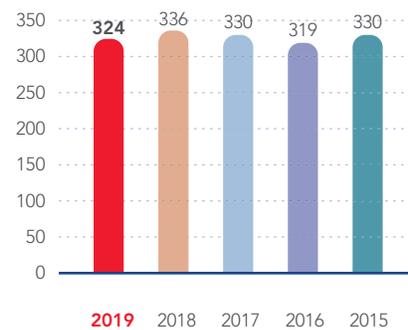
**(LOSS)/PROFIT AFTER TAX**  
(RM Million)



**TOTAL ASSETS**  
(RM Million)



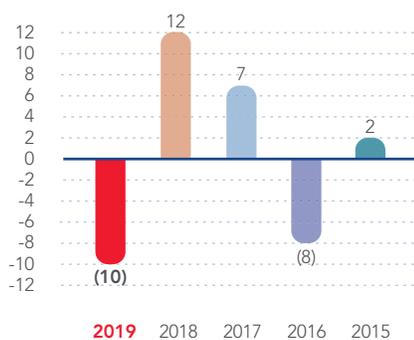
**SHAREHOLDERS' FUND**  
(RM Million)



**NET ASSETS PER SHARE**  
(Sen)



**(LOSS)/EARNINGS PER SHARE**  
(Sen)



**NET DIVIDEND PER SHARE**  
(Sen)



## 5-YEAR FINANCIAL HIGHLIGHTS

	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>RESULTS</b>	<b>439,829</b>	<b>496,950</b>	<b>490,622</b>	<b>446,116</b>	<b>445,943</b>
Revenue					
(Loss)/Profit before tax	(4,291)	9,584	8,382	(863)	3,938
Taxation	(3,112)	(2,554)	(4,001)	(4,778)	(3,143)
(Loss)/Profit after tax	(7,403)	7,030	4,381	(5,641)	795
Attributable to:					
Shareholders of the Company	(6,789)	7,488	4,742	(5,037)	1,185
Non-controlling interests	(614)	(458)	(361)	(604)	(390)
<b>FINANCIAL POSITION</b>					
<b>Assets</b>					
Property, plant and equipment	271,125	277,422	304,188	308,417	274,482
Right-of-use assets	6,399	-	-	-	-
Investment property	45,400	45,400	45,400	45,800	45,800
Investments in an associates	1,299	1,069	979	148	-
Investments in jointly controlled entities	42,129	37,348	35,993	34,007	33,473
Other investments	6	6	10	10	10
Finance lease receivables	2,494	4,343	1,728	3,793	2,364
Deferred tax assets	3,535	2,575	2,664	2,522	1,749
Intangible assets	12,577	12,520	12,374	11,584	9,131
Other receivables	-	-	698	561	-
Total non-current assets	384,964	380,683	404,034	406,842	367,009
Current assets	421,132	423,349	387,377	388,419	403,783
<b>Total Assets</b>	<b>806,096</b>	<b>804,032</b>	<b>791,411</b>	<b>795,261</b>	<b>770,792</b>
<b>Equity</b>					
Share capital	67,200	67,200	67,200	67,200	67,200
Share premium	-	-	-	615	615
Reserves	261,022	272,642	266,639	255,805	266,111
Treasury shares	(4,213)	(4,213)	(4,213)	(4,210)	(4,209)
Total equity attributable to owners of the Company	324,009	335,629	329,626	319,410	329,717
Non-controlling interests	11,155	11,269	(1,380)	(1,021)	(585)
<b>Total Equity</b>	<b>335,164</b>	<b>346,898</b>	<b>328,246</b>	<b>318,389</b>	<b>329,132</b>
Non-current liabilities	37,024	33,928	71,620	91,467	81,106
Current liabilities	433,908	423,206	391,545	385,405	360,554
<b>Total Equity and Liabilities</b>	<b>806,096</b>	<b>804,032</b>	<b>791,411</b>	<b>795,261</b>	<b>770,792</b>
<b>FINANCIAL STATISTICS</b>					
Basic (loss)/earnings per share (sen)	(10.43)	11.50	7.28	(7.74)	1.82
Dividend per share (net of tax) (sen)	-	4.00	4.00	4.00	7.00
Net assets per share (sen)	498	516	506	491	506
Return on shareholders' equity (%)	2.2%	2.0%	1.3%	-1.8%	0.2%
Net debt/equity (%)	48.8%	58.7%	60.5%	69.9%	63.4%

Note: 2017 numbers have been restated to incorporate the adoptions of new standards that has been issued by the Malaysian Accounting Standards Board.

## PROFILE OF DIRECTORS

### **DATO' TAN HENG CHEW JP, DJMK** *President*

**Dato' Tan Heng Chew**, aged 73, 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 also a major shareholder of the Company. He is the brother of Mr Tan Eng Soon and is also a director and shareholder of Tan Chong Consolidated Sdn Bhd. Mr Tan Eng Soon and Tan Chong Consolidated Sdn Bhd are major shareholders of the Company. Dato' Tan has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

### **TAN KENG MENG** *Chief Executive Officer*

**Mr Tan Keng Meng**, aged 61, 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, such as Edaran Tan Chong Motor Sdn Bhd, Tan Chong Motor Assemblies Sdn Bhd, Tan Chong & Sons Motor Company Sdn Bhd and Tan Chong Industrial Equipment Sdn Bhd. He has held senior management positions for many years with extensive Malaysian and international experience. Prior to joining the Group, he was the Group 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.

## PROFILE OF DIRECTORS

cont'd

### CHIN TEN HOY

*Executive Vice-President*

**Mr Chin Ten Hoy**, aged 63, a Malaysian, male, was appointed to the Board on 29 November 2016 as an Executive Director. His corporate title has been changed to Executive Vice-President effective 1 January 2019.

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 Corporate Travel Services Sdn Bhd ("MCTS") (formerly known as Mayflower American Express Travel Services Sdn Bhd) as General Manager overseeing its corporate travel business in Malaysia. Prior to joining MCTS, 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 13 years holding senior positions in the areas of travel, properties development and management.

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

### DATO' CHONG KWONG CHIN JP, DIMP

*Independent Non-Executive Director*

**Dato' Chong Kwong Chin**, aged 67, 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 and Remuneration 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.

## PROFILE OF DIRECTORS

cont'd

### DATUK ABDULLAH BIN ABDUL WAHAB

KMN, DPSJ, PJN

Senior Independent Non-Executive Director

**Datuk Abdullah bin Abdul Wahab**, aged 69, 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 and Remuneration 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.

### LEE MIN ON

Independent Non-Executive Director

**Lee Min On**, aged 60, 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 and Remuneration 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 Malaysia"). He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia 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 is also an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, APM Automotive Holdings Berhad, Kotra Industries Berhad and Lii Hen Industries Bhd and serves as Audit Committee Chairman of IIAM.

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

Save as disclosed above, none of the other Directors has:

- (i) any family relationship with any Director and/or major shareholder of the Company; and
- (ii) any conflict of interest in the Company.

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

## PROFILE OF KEY SENIOR MANAGEMENT

Key Senior Management of Warisan TC Holdings Berhad (“Warisan”) Group comprises **Dato’ Tan Heng Chew** - President, **Mr Tan Keng Meng** – Chief Executive Officer, **Mr Chin Ten Hoy** - Executive Vice-President, whose profiles are included in the Profile of Directors on pages 17 to 19 in the Annual Report 2019, and the following senior management personnel:

### KONG HON KHIEN

*Chief Financial Officer*

**Mr Kong Hon Khien**, aged 51, a Malaysian, male, joined the Warisan Group as General Manager in June 2017 and was subsequently appointed as Chief Financial Officer of Warisan in July 2017.

Mr Kong graduated from Kolej Tunku Abdul Rahman with a Diploma in Commerce (Management Accounting). He is a Chartered Accountant and is an Associate Member of The Chartered Institute of Management Accountants. He is also a Member of the Malaysian Institute of Accountants.

He has more than 29 years of working experience in various industries which includes shipping, manufacturing, transportation, information technology and trading.

### NICHOLAS TAN CHYE SENG

*Director, MUV Marketplace*

**Mr Nicholas Tan Chye Seng**, aged 46, a Malaysian, male, a Director of MUV Marketplace Sdn Bhd (“MUV Marketplace”). Mr Nicholas Tan is the founder of “MUV”, a pioneer of an Offline2Online marketplace for used vehicles with the highest gross merchandise value in transactions recorded since 2014. He also led the investment in “GoCar” Malaysia’s first car sharing platform when Mayflower Car Rental Sdn Bhd, a subsidiary of Warisan acquired a controlling stake in 2016.

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

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

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

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

## PROFILE OF KEY SENIOR MANAGEMENT

cont'd

### CHIN YEN SONG

*General Manager,  
Mayflower Corporate Travel Division*

**Ms Chin Yen Song**, aged 46, a Malaysian, female, joined the 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.

### LEE KING SOON

*General Manager,  
Light Machinery Division*

**Mr Lee King Soon**, aged 56, a Malaysian, male, joined the 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 Kolej Tunku Abdul Rahman with an Advance Diploma in Financial Accounting. He is also a Chartered Accountant and a Fellow Member of the Association of Chartered Certified Accountants.

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

### NG KIAT SENG

*Senior General Manager,  
Automotive Division*

**Mr Ng Kiat Seng**, aged 57, a Malaysian, male, joined the Warisan Group in April 2014 as Senior General Manager taking charge of sales and marketing function of automobile business.

Mr Ng received his education at Kuala Lumpur 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.

## PROFILE OF KEY SENIOR MANAGEMENT

cont'd

### ALAN CHEAH KIAN MENG

*Chief Executive Officer,  
Gocar Mobility*

Mr Alan Cheah Kian Meng, aged 40, a Malaysian, male, joined Gocar Mobility Sdn Bhd ("Gocar Mobility"), a subsidiary of Warisan as Chief Operating Officer in 2016 and was subsequently promoted to Chief Executive Officer in 2017. He is primarily tasked to oversee product management, business development strategy, digital strategy, customer experience, marketing strategy, and big data management of Gocar Mobility.

Prior to this, he was the Marketing Director at Malaysian Global Innovation & Creativity Center (MaGIC), primarily responsible for leading and strategising the digital roadmap to create regional awareness and engagement for MaGIC's brands, programs, and projects across the ASEAN region. He was also the lead digital strategist for MaGIC Accelerator Program Cohort 1, MaGIC Academy MA2014 & MA2015, and e@Stanford Programs - a partnership with the University of Stanford.

Apart from work, he is frequently sharing thoughts and giving talks on personal growth, marketing, entrepreneurship, urban mobility, alternative transportation, and team culture.

Mr Alan Cheah graduated with a Bachelor of Science in Computing from University of Portsmouth, England.

He has more than 15 years of working experience in marketing, branding, and digital strategy.

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

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

# SUSTAINABILITY STATEMENT

We recognise sustainability remains as the core for current business operation needs and ensuring the ability to meet future business operation. Being a responsible corporate citizen contributing to environmental protection, economic growth and social development is as important as the corporate financial performance of the Group.

## SUSTAINABILITY GOVERNANCE STRUCTURE

The Board is responsible for sustainable performance and results of the Group. The Risk and Sustainability Committee ("RSC"), headed by our Chief Executive Officer, was established to assist the Board in identifying material sustainability matters, implementing, managing and monitoring their development on a consistent basis to ensure the Group achieves its long term sustainability goals and objectives. The main task of the RSC covers the identification of Economic, Environment and Social ("EES") risks and opportunities within the eco-system of the Group, which includes identifying the EES impacts on the Group, implementation of approved sustainability strategies and action plans to achieve the Group's milestones and goals.

Our Group is diversified in key business activities that comprise the provision of travel, air-ticketing and car rental and coaches services; the distribution and rental of machinery imported from manufacturers of international repute; the assembly, distribution and sale of commercial and passenger vehicles and the provision of used vehicle auction services and car sharing. Each subsidiary within the Group has its own team of Risk and Sustainability Committee ("Sub Committee") responsible for the matters that affect stakeholders. The Sub Committee reports the progress on activities that are pertinent to sustainability matters to the RSC at least twice yearly.

Below is the governance structure of the Group and the three (3) key Sub-Committees for illustration purpose:



# SUSTAINABILITY STATEMENT

cont'd

## Stakeholder Engagement

Our Group believes that engaging with the various stakeholders is an integral commitment in steering us towards our long-term sustainability goals. Our business divisions aim to maintain a constant line of communication with stakeholders, both at formal and informal levels. It is through this practice of open communication that our Group is able to forge a trusted relationship with our stakeholders, who include customers, investors, suppliers, employees, regulatory and statutory bodies, local and overseas communities, higher learning institutions and welfare organisations.

The table below summarises some of the key stakeholders of the Group and the issues of concern impacting different stakeholders:

 Stakeholders		 Issue of Concern	 Forms of Engagement
 Customers	<ul style="list-style-type: none"> <li>o Consistent quality product</li> <li>o Support services</li> <li>o Cost of ownership</li> </ul>	<ul style="list-style-type: none"> <li>o Customer survey</li> <li>o Customer service centre</li> <li>o Visitation</li> <li>o Feedback to principals on quality and product enhancement</li> </ul>	
 Suppliers	<ul style="list-style-type: none"> <li>o Product quality</li> <li>o Pricing and delivery schedule</li> </ul>	<ul style="list-style-type: none"> <li>o Supplier evaluation</li> <li>o Goods reject report</li> </ul>	
 Employees	<ul style="list-style-type: none"> <li>o Career development</li> <li>o Compensation policy</li> <li>o Employee welfare</li> <li>o Learning and development</li> <li>o Health and safety</li> <li>o Ethics and integrity</li> </ul>	<ul style="list-style-type: none"> <li>o Annual staff appraisal</li> <li>o Training</li> <li>o Team building activities</li> <li>o Young Executive Club</li> </ul>	
 Regulatory and Statutory Bodies	<ul style="list-style-type: none"> <li>o Laws and regulations</li> <li>o Statutory compliance</li> <li>o Labour practices</li> <li>o Environment and compliance</li> </ul>	<ul style="list-style-type: none"> <li>o Active engagement with respective regulatory agencies and bodies</li> <li>o Policies and procedures</li> </ul>	
 Higher learning institution, community and welfare organisation	<ul style="list-style-type: none"> <li>o Career opportunity</li> <li>o Community welfare</li> </ul>	<ul style="list-style-type: none"> <li>o Participate in career fair</li> <li>o Social contribution and community services</li> </ul>	
 Shareholders	<ul style="list-style-type: none"> <li>o Group financial performance</li> <li>o Business strategy</li> <li>o Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>o Annual General Meeting</li> <li>o Quarterly and statutory announcements to Bursa Malaysia Securities Berhad ("Bursa Malaysia")</li> <li>o Policies and framework</li> <li>o Corporate website</li> </ul>	

# SUSTAINABILITY STATEMENT

cont'd

## Material Assessment

During the financial year under review, the assessment process was conducted by the RSC to determine sustainability matters that are material to the Group, taking into consideration the guidance on the Sustainability Reporting Guide issued by Bursa Malaysia as well as the impact of such matters upon the business of the Group and their relative importance to stakeholders in influencing their decision on a prioritised basis. A list of material sustainability matters that was relevant to the business and the industry we operate in was compiled and presented to the RSC for assessment.

RSC has identified a total of 10 material sustainability matters that are important to the business and to our stakeholders. With that, we would be able to manage and monitor the areas of sustainability matters which are material to the Group, depicted as follows:



## ECONOMIC

### Customer Satisfaction

Our growth is highly dependent on our customers. Besides maintaining customer loyalty, securing new customers is essential to sustain our growth.

Various methods of survey, such as the use of customer survey form and social media like Facebook, were conducted regularly to ensure we stay in touch and respond to our customers' requirements and expectations. We endeavour to retain our competitive advantage to remain as the first option to our customers.

We treat our customers' complaints seriously and ensure issues are attended to and addressed in a timely manner. Trainings are conducted periodically to apprise our technical staff on issues relating to our products and to reduce the machine downtime. We have a response team to attend to machine breakdown at site and provide replacement car for any breakdown. For service staff, we ensure that they are equipped with the necessary skills and knowledge to handle customers' complaints.

Feedback from customers relating to our products is communicated to our Principals for them to have a better understanding on the requirements of local customers.

# SUSTAINABILITY STATEMENT

cont'd

Feedback from customers on any activities relating to the auction and inspection services provided by one of our subsidiaries, MUV Marketplace Sdn Bhd ("MUV"), is immediately attended to with urgency.

Based on public reviews relating to MUV via social media, their satisfaction on the service is gauged as follows:



We have outlined the following commitments (which may only be applicable to some of our subsidiaries depending on their nature of business) to fulfil our customers' needs:

- Provide nationwide after sales service centre with parts availability;
- Provide immediate technical advice and appropriate solutions;
- Readiness of Customer Relationship Management (CRM) and call centre support;
- "24/7" and mobile service team on stand-by;
- Expand service dealer and sales network;
- Practice quality inspection and joint quality inspection with customers;
- Use proper, calibrated and adequate tools and machineries;
- Adhere to Standard Operation Sheet to ensure quality control;
- Conduct weekly process audit for all assembly stations of Automotive Division;
- Revamp the Standard Operating Procedures (SOP) of our subsidiary, Gocar Mobility Sdn Bhd ("GoCar") for its Customer Experience Team;
- Use Rating System to rate GoCar Customer Experience Agent in handling the caller enquiries;
- Improve fleet cleaning and fleet management;
- Set up call centre to garner customer satisfaction data from car rental customers; and
- Attend to customers' complaints and feedback by providing better solutions and services.

## Productivity

In the current highly competitive market, productivity and efficiency are invariably pivotal factors towards sustaining the Group's long-term viability.

We strongly believe that customers prefer a vendor that is able to provide them with the best service and product that meets their requirements.

To enable the Group to meet the high expectations of customers, we strive to optimise the deployment of our resources in a more efficient manner, for example:

- Leveraging on the weighted average prices, car rental user will enjoy lower price during the off-peak period;
- Reducing car downtime;
- Increasing car rental utilisation rate (UT), translating into higher rent-out versus idle car;
- Applying lean management to back office operations;
- Optimising resources through group networking (after sales service, engineering support) and
- Rationalising cost saving activities.

# SUSTAINABILITY STATEMENT

cont'd

## Succession Planning

We acknowledge the importance of staff quality towards our Group's success. The Group has a succession planning programme where internal talents within the Group are identified, developed and groomed to take over key positions in future. This succession planning programme is not only limited to top Management but also applies to different levels of Management within the Group.

Top management reviews the progress of identified successors from time to time with proper training and guidance provided as required.

We believe that the succession planning programme is imperative in the identification, motivation and retention of the younger generation of personnel within the Group as they will likely see the programme as an opportunity for career development and growth within the Group.

## ENVIRONMENT

### Resources, Waste & Energy

We are committed to preserve the nature of our environment for the future generation. The Group has implemented the following environmental and waste management practices in its daily operation in our efforts to reduce carbon footprint:

- Practices in office which include the use of waste segregation bins, reducing paper printing, replacing fluorescents lamps with energy efficient LED tubes and electrical appliances inverter technologies in stages to conserve energy;
- Authorised waste service centres and waste collectors have been engaged to enable wastes to be discharged in a proper manner;
- Encouraging the use of synthetic oil to prolong service intervals on vehicles and thereby reducing the volume of used engine oil being disposed of;
- Installation of grease, oil and silt traps at our workshops to minimise the discharge of grease and oil into the environment;
- Our GoCar's business model is aimed at reducing vehicle ownership and the number of vehicles on the road to reduce carbon emission and scrap of vehicles in the future;
- Our online travel portal ([mayflower.com.my](http://mayflower.com.my)) which provides convenience to users to book their travelling needs from the comfort of their homes and/or office will not only save time but reduce the hassle of looking for car parks and fuel wastages;
- Prohibiting open burning; and
- Promoting paperless workplace, such as using E-statement for payroll and Success Factor.

## SOCIAL

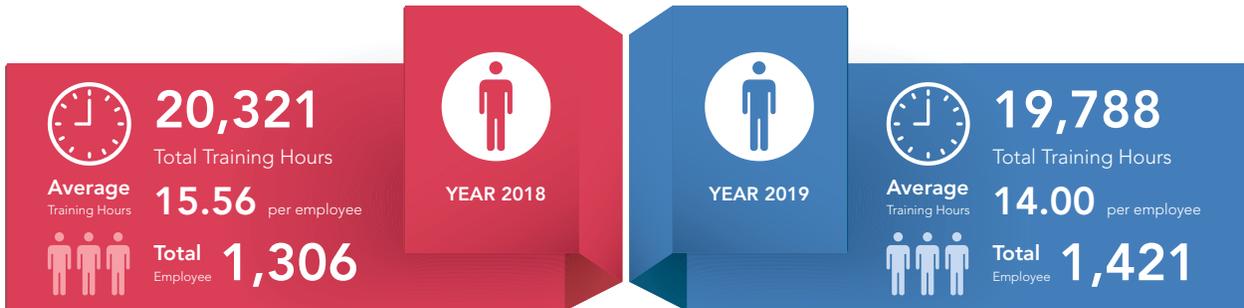
### Employee Training, Education and Career Development

As we recognise that human capital is a key driver to the Group's sustainability and performance, the need to invest in human capital is no longer an option but a prioritised necessity. Therefore, our employees are continuously trained and equipped with the relevant skills and knowledge to enable them to handle new challenges with confidence.

We offer training, both internal and external, to all levels of employees who need to be equipped with the right skill to be more effective and productive. We target to provide an average of 20 hours of job-related training programmes per employee. The table below shows the training hours recorded in the last 2 years:

# SUSTAINABILITY STATEMENT

cont'd



The Group has also implemented the following programme to engage with the younger generation in honing and harnessing their talents and potential:

- o **Young Executive Club (“Club”)**

This is an exclusive club for young employees. The President of the Club is elected by its members and assisted by a group of committee members. The Club currently has 60 members.

The Club is responsible for organising various activities, such as CSR activities, motivational talks, etc., in the Group, thereby providing a platform for members to participate in planning, monitoring, and decision making.



# SUSTAINABILITY STATEMENT

cont'd

## Accolades for Human Resources Development

### Award from CSR Malaysia Award 2019

11 July 2019 marked an important milestone for Warisan TC Holdings Berhad in the recognition of its contribution to society as the Group was honoured as the recipient of the CSR Malaysia Award 2019 - Company of the Year under the category of Automotive and Consumer Products at the prestigious CSR Malaysia Awards 2019, the biggest corporate social responsibility (CSR) event held at Sheraton Imperial Kuala Lumpur. The event was officiated by Deputy Women, Family and Community Development Minister, YB Hannah Yeoh.

### Award from MyJobs

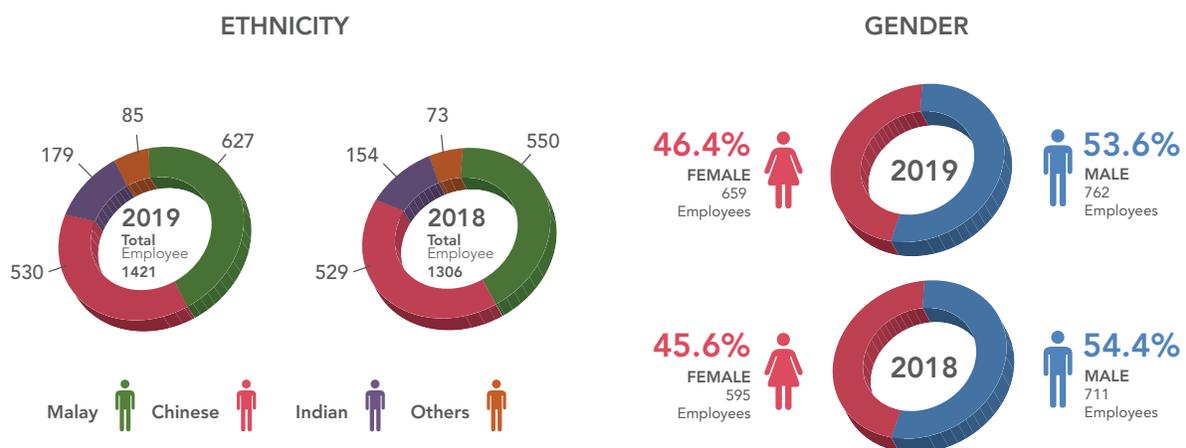
The Top Employer Award was presented to one of our subsidiaries, MAT Transportation Solution (Myanmar) Company Limited during the MyJobs Gala Annual Dinner held on 20 September 2019 in Myanmar. This recognition is another significant achievement for the Group as we competed against some of the largest organisations in the country. It showed the determination and commitment taken by our Group to be recognised as one of the companies of choice for employees.



## Diversity & Equal Opportunity

We acknowledge that diversity of our people as a source of strength. Therefore, we promote inclusiveness and equal opportunity at workplace, regardless of ethnicity, nationality, gender or age of employees. All employees are treated equally within the Group and are appraised and rewarded solely based on their merits.

The ethnicity and gender profile of the Group's employees are as follows:



# SUSTAINABILITY STATEMENT

cont'd

## Communities Activities & Contributions

Being mindful of the less fortunate and marginalised, we strive to contribute back to society as we believe such social initiatives, as part of the Group's Corporate Social Responsibility ("CSR") can transform lives, as even a small gesture like donation may have a positive impact on the community at large. The various significant activities carried out during the financial year were aimed at not only ploughing back to the community, but also to enhance the Group's visibility, including its products and service offerings, as part of its branding initiatives in the marketplace:

### Kiwanis Down Syndrome Charity Run

On 6 October 2019, a KCK Fun Run (Kiwanis Down Syndrome Charity Run) was organised at Setia City Park. A total of 29 staff participated in this event which promoted awareness towards Down Syndrome and healthy lifestyle habit.



### Blood Donation Campaign

The Blood Donation Campaign organised by Mayflower Car Rental Division on 6 November 2019 attracted better response from the staff than expected as compared to previous year. There were 35 staff registered for the campaign, and each donor received a blood donation certificate from PDN as an act of appreciation. MCR also gave out merchandise such as umbrella, notebook and recycle bag to PDN staff as a token of appreciation for their involvement in this campaign. It is hoped that a caring and sharing attitude can be cultivated among the staff for the betterment of the society by participating in this campaign.



# SUSTAINABILITY STATEMENT

cont'd

## Recycle for Good Cause

We aim to inspire our stakeholders, including employees within the Group, to care for the environment by adopting a clean, green, and sustainable lifestyle. We continue to focus on reducing our waste and promote the practice of Reduce, Reuse and Recycle within the Group.

Tan Chong Apparels Manufacturer Sdn Bhd, our lingerie manufacturing unit in Taiping, initiated a recycle campaign during the year. Recyclable items such as newspapers, carton boxes, papers, aluminium cans, irons, magazines and books were collected and donated to Persatuan Perkhidmatan Komuniti Taiping Perak to help the poor and needy.

## Health & Family Fun Day

Mayflower Medical Tourism Division organised a Health & Family Fun Day at Prince Court Medical Centre ("Prince Court") on 4 August 2019. All staff and their family members were invited to this event and medical officers of Prince Court shared some healthcare tips and introduced the facilities that were available to the public. Mayflower Medical Tourism Division currently partners with Prince Court in promoting Malaysia as the medical tourism destination to inbound medical travellers.



# SUSTAINABILITY STATEMENT

cont'd

## Job Opportunity for Interns and Fresh Graduates

The Group supports internships and has always provided a platform for interns to grow with us. During the year, we participated at various career fairs in Malaysia and successfully recruited a total of 65 (2018: 29) interns and provided them with the pre-requisite training in our efforts to equip them with the required knowledge and skills for their future. Some of the interns eventually became our permanent staff.



## Workplace Safety and Health

The Group is devoted to providing a safe and healthy workplace environment for all its employees. Subsidiaries in the Group have their own Safety and Health Committee who meet on a regular basis to review safety and health related matters. Our employees are required to attend talks on safety related issues to maintain safety awareness on regular basis. Our offices and factories are periodically inspected, including ad-hoc spot checks, by properly trained and qualified safety personnel.

Accidents reported and investigation procedures, regardless of whether minor or serious accidents, and even near misses, are carefully reviewed by the Safety and Health Committee to enable the implementation of action plans to prevent recurrence of similar incidents.

We are mindful of the importance of response time in any emergency situation, especially in fire incident. Therefore, fire drills are carried out, both on scheduled and unscheduled basis, to assess the preparedness of the Emergency Response Team and employees in acting in an orderly manner and within acceptable timeframe.

Machinery Division conducted various safety and health activities and training during the year, such as Fire Prevention and Awareness Talk, Fire Fighting Awareness Training, Contractors Environment, Health and Safety Management/Induction Briefing, Forklift Safety Awareness Handling Training and TCIM Road Safety Campaign.



# SUSTAINABILITY STATEMENT

cont'd



## Compliance with Laws and Regulations

We view compliance with laws and regulations seriously so as to ensure that all our business activities are operated within the laws and regulations at all times, be it in Malaysia or other countries where we have business operation.

## Integrity

Integrity ranks high in our corporate agenda and it is one of the key elements in the Group's 7 Core Values. We believe that an organisation will unlikely sustain in the long term if our people lack integrity.

The Group has zero tolerance on fraud and corrupt practices by any employee or even Director. Hence, we expect our employees and Directors to cultivate a culture of honesty, reliability, transparency, and accountability throughout the Group and among our stakeholders.

The Group has in place the following policies to address any wrongdoing:

- o Code of Business Conduct and Ethics for Employee
- o Fraud Prevention Policy; and
- o Special Complaint Policy.

Cognisant of the importance of having in place a process to identify and monitor matters that are material to the continued viability and sustainability of the Group, the Board of Directors reviews the overall performance of the Group, beyond just financial results, so that remedial measures may be implemented by Management to steer the Group towards realising its sustainability goals and agenda on an ongoing basis.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Warisan TC Holdings Berhad (“Company” or “WTCH”) 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 Board believes having sound corporate governance practices will improve corporate transparency, accountability, performance and integrity.

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

This Statement provides an overview of the Company’s application of the Principles as set out in the Malaysian Code on Corporate Governance (“MCCG”) during the financial year under review. Details on how the Company has applied the Practices as set out in the MCCG during the financial year 2019 are disclosed in the Corporate Governance Report, which is available on the Company’s corporate website at [www.warisantc.com.my](http://www.warisantc.com.my).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

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

All members of the Board are aware of their responsibilities to take decisions objectively which promote the success of the Group for the benefits of shareholders and other stakeholders, besides safeguarding their interests. The Company has established a Board Charter which outlines the Board’s roles and responsibilities. This Board Charter is periodically reviewed by the Board to be in line with regulatory changes and to reflect recent changes made to the terms of reference of the Board Committees. The salient features of the Board Charter are publicly available on the Company’s website at [www.warisantc.com.my](http://www.warisantc.com.my).

The key roles and responsibilities of the Board broadly cover formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group’s businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage those risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure, including succession planning.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee and Nominating and Remuneration Committee (“NRC”), to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board. The members of both Audit Committee and NRC are all Independent Non-Executive Directors.

In enhancing accountability, the Board has established clear functions reserved for itself and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, approval of annual budgets and audited financial statements, quarterly and annual financial statements for announcement, investment and divestiture, as well as monitoring of the Group’s financial and operating performance. Such delineation of roles is clearly set out in the Board Charter.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

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

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

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

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

The Board has formalised a Directors' Code of Ethics setting out the standards of conduct expected from all Directors. The Directors' Code of Ethics is contained in Appendix A of the Board Charter which is published on the Company's website at [www.warisantc.com.my](http://www.warisantc.com.my). To inculcate good ethical conduct, the Group has established a Code of Business Conduct and Ethics for employees, which has been communicated to all levels of employees in the Group. The Company also has in place a Special Complaint Policy, which is equivalent to whistle-blowing policy that serves as an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified in accordance with the requirements of the Companies Act, 2016, 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.

In discharging their responsibilities effectively, the Directors allocate sufficient time to attend Board and Board Committee meetings to deliberate on matters under their purview. During the year, the Board deliberated on matters relating to business strategies and issues concerning the Group, including business plan, annual Group budget, financial results and significant transactions. All Board and Board Committee members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting of the Board and Board Committee, in a timely manner. For the financial year under review, the Board had convened six (6) Board meetings and the attendances of the Directors are as follows:

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

Name	No. of Board Meetings attended	Percentage of Attendance (%)
Dato' Tan Heng Chew	6/6	100
Tan Keng Meng	6/6	100
Chin Ten Hoy	6/6	100
Dato' Chong Kwong Chin	6/6	100
Datuk Abdullah bin Abdul Wahab	5/6	83
Lee Min On	5/6	83

The Board is mindful of the importance for its members to undergo continuous education and training programmes to be apprised of the changes to regulatory requirements and the impact such regulatory requirements have on the Group. Besides circulating the relevant circulars and guidelines on statutory and regulatory requirements from time to time for the Board's reference, the Company Secretaries also explain to the Board at its meeting the implication of the requirements on Directors and the Group.

All Directors of the Company have completed the Mandatory Accreditation Programme as required by the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). During the financial year under review, the trainings attended by the Directors included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. Details of the training programmes attended/ participated by the Directors are as follows:

Directors	Details of Program
Dato' Tan Heng Chew	<ul style="list-style-type: none"> <li>■ WTCH: Corporate Liability Provision under the Malaysian Anti-Corruption Commission ("MACC") Amendment Act 2018 – Implications to the Group, Directors &amp; Management</li> <li>■ Bursa Malaysia: Cyber Security in the Boardroom – Accelerating from Acceptance to Action</li> <li>■ Bursa Malaysia and Institute of Corporate Directors Malaysia ("ICDM"): Demystifying the Diversity Conundrum – The Road to Business Excellence</li> <li>■ Tan Chong Motor Holdings Berhad ("TCMH"): Budget 2020 Tax Proposals, Latest Corporate Tax and Sales &amp; Service Tax Developments</li> </ul>
Tan Keng Meng	<ul style="list-style-type: none"> <li>■ WTCH: Corporate Liability Provision under the MACC Amendment Act 2018 – Implications to the Group, Directors &amp; Management</li> <li>■ Shook Lin and Bok Law Firm: Anti-Trust and Competition Law</li> <li>■ TC iTech Sdn Bhd ("TC iTech"): Cyber Risk Awareness</li> <li>■ Volvo Buses Malaysia, Prasarana Malaysia Berhad and Technology Depository Agency: Bus Rapid Transit Conference</li> </ul>
Chin Ten Hoy	<ul style="list-style-type: none"> <li>■ TC Education Sdn Bhd: MCGG – Corporate Governance Guide 3rd Edition</li> <li>■ WTCH: Corporate Liability Provision under the MACC Amendment Act 2018 – Implications to the Group, Directors &amp; Management</li> <li>■ Shook Lin and Bok Law Firm ("Shook Lin and Bok"): Avoiding Competition Law Violations – Formulating an Effective Compliance Policy</li> <li>■ Shook Lin and Bok: Anti-Trust and Competition Law</li> <li>■ TC iTech: Cyber Risk Awareness</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

Directors	Details of Program
Dato' Chong Kwong Chin	<ul style="list-style-type: none"> <li>■ KPMG PLT: Audit Committee Institute ("ACI") Breakfast Roundtable 2019 (Corporate Liability on Corruption and Business Continuity Management)</li> <li>■ Malaysian Institute of Accountants ("MIA"): Malaysian Private Entities Reporting Standard (MPERS) – An Overview &amp; Practical Approach</li> <li>■ MIA: MIA International Accountants Conference 2019</li> </ul>
Datuk Abdullah bin Abdul Wahab	<ul style="list-style-type: none"> <li>■ MIA: MIA's Engagement Session with Audit Committee Members on Integrated Reporting</li> <li>■ WTCH: Corporate Liability Provision under the MACC Amendment Act 2018 – Implications to the Group, Directors &amp; Management</li> <li>■ Bursa Malaysia: Cyber Security in the Boardroom - Accelerating from Acceptance to Action</li> <li>■ Securities Industry Development Corporation (SIDC): Case Study Workshop for Independent Directors</li> <li>■ Securities Commission Malaysia ("SC"): Audit Oversight Board Conversation with Audit Committees</li> </ul>
Lee Min On	<ul style="list-style-type: none"> <li>■ The Iclif Leadership and Governance Centre and The Malaysian Institute of Integrity - "Let's Get Real" on Anti-Bribery</li> <li>■ Bursa Malaysia and ICDM: Bursa Malaysia Thought Leadership Series (Leadership Greatness in Turbulent Times - Building Corporate Longevity)</li> <li>■ KPMG PLT: ACI Breakfast Roundtable 2019 (Corporate Liability on Corruption and Business Continuity Management)</li> <li>■ TC iTech: Cyber Risk Awareness</li> <li>■ Bursa Malaysia: Case Study Workshop for Independent Directors - Towards Boardroom Excellence</li> <li>■ Bursa Malaysia: Corporate Liability Provision (Section 17A) of the MACC Act 2009</li> <li>■ SC: Audit Oversight Board Conversation with Audit Committees</li> </ul>

## II. BOARD COMPOSITION

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

The Board currently has six (6) members, comprising three (3) Independent Non-Executive Directors and three (3) Executive Directors. This composition of the Board fulfills the requirements as set out under the Listing Requirements of Bursa Malaysia 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, risk management and internal audit, as well as marketing and operations. The profiles of the members of the Board are provided in the Annual Report.

The NRC is entrusted to assess the adequacy and appropriateness of the Board composition, identify and recommend suitable candidates for Board membership and also to assess annually the performance of the Directors, succession plans and Board diversity, including gender, age and ethnicity diversity, training courses for Directors and other qualities of the Board, including core-competencies, which the Independent Non-Executive Directors should bring to the Board. The Board has the ultimate responsibility of making the final decision on the appointment of new Directors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

The Board, through the NRC, conducts an annual review of the Board, Board Committees and individual Directors using questionnaire methodology. For the financial year under review, the self and/or peer assessments are carried out via assessment forms, comparing existing corporate governance practices and activities against the relevant terms of reference, practices and guidance of MCCG and Listing Requirements. The Board, Board Committees and individual Directors are assessed based on criteria covering areas, amongst others, composition and structure, mix of skills, experiences, competencies, personality, diversity, contribution and performance and meeting administration and conduct.

Based on the annual assessment conducted on 15 January 2020, the NRC was satisfied with the existing Board composition and concluded that each Director has the requisite competence and capability to serve on the Board and has sufficiently demonstrated his commitment to the Board in terms of time and participation during the year under review, and has accordingly recommended to the Board the re-election of the retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). All assessments and evaluations carried by the NRC in the discharge of its functions were duly documented.

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

The NRC has assessed the independence of Independent Non-Executive Directors for the financial year 2019 based on criteria set out in Paragraph 1.01 of the Listing Requirements and Practice Note 13 of Bursa Malaysia and concluded that all the Independent Non-Executive Directors have satisfied the independence criteria and each of them is able to provide independent judgement and act in the best interest of the Company.

Following an assessment and recommendation by the NRC, the Board is of the opinion that the independence of the existing Independent Non-Executive Directors remains unimpaired and their judgement over business dealings of the Company has not been influenced by the interest of the other Directors or substantial shareholders.

Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab have each served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. Following an assessment and recommendation by the NRC, 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 individually 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 based on key justifications as set out under the Explanatory Notes of the Notice of the AGM.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of Directors who are due for retirement by rotation, and continuation in office as Independent Non-Executive Directors for Dato' Chong Kwong Chin and Datuk Abdullah bin Abdul Wahab who have served a cumulative term of more than nine (9) years individually for shareholders' approval at the forthcoming AGM;
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity;
- Assessed the effectiveness of the Board as a whole, the Board Committees (including each of its members) and the contributions of individual Directors as well as the Chief Financial Officer and Company Secretaries;
- Assessed Directors' training needs and acknowledged the training programmes attended by Directors as well as identified suitable training programmes to enhance Directors' skills;
- Reviewed the terms of reference of the NRC;
- Reviewed the 2019 Bonus and 2020 Salary Increment for Senior Management personnel (including Executive Directors); and
- Reviewed the renewal of Executive Service Contract for Senior Management personnel.

The Company has formalised a Board Diversity Policy and such policy is contained in the Board Charter which is published on the Company's website. The Board believes that the evaluation of suitability of candidates should be based on the candidates' competency, character, time availability, integrity and experience in meeting the Company's needs. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre without any specific discrimination as to the age, ethnicity or gender of the candidates concerned. In accordance with the Board Diversity Policy on gender, the Board shall comprise at least a woman Director at any time.

The Board has been taking steps to seek out female candidates based on meritocracy with the optimum mix of skills, knowledge and experience to fill Board positions.

### III. REMUNERATION

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

In accordance with Practice 6.1 of the MCCG, the Board has formalised pertinent Policies and Procedures for the Remuneration of Directors and Senior Management to align with business strategy and long-term objectives of the Group. The remuneration packages for Executive Directors and Senior Management are linked to performance, qualifications, experience and scope of responsibility and geographic location where the personnel are based and are periodically benchmarked to the market/industry surveys conducted by human resource consultants.

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

The remuneration received or to be received by Directors of the Company from the Group and Company for the financial year ended 31 December 2019 amounted to RM5,570,565 and RM4,246,319 respectively. Details of the remuneration for each of the Directors on a named basis are set out under Practice 7.1 of the Corporate Governance Report uploaded on the Company's website at [www.warisantc.com.my](http://www.warisantc.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT COMMITTEE

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 members of the Audit Committee collectively are financially literate and are qualified to discharge their duties and responsibilities set out in the Committee Terms of Reference ("Charter") approved by the Board. They constantly keep abreast of relevant changes to financial reporting standards and pertinent issues which have a significant impact on financial statements through regular updates from the external auditors and membership in professional bodies.

One of the key responsibilities of the Audit Committee in its Charter is to ensure that the financial statements of the Group and the Company comply with the applicable financial reporting standards in Malaysia and provisions of the Companies Act, 2016. Full details of the Audit Committee's responsibilities can be found in the Charter, which is annexed to the Board Charter and is available on the Company's website. A summary of the activities carried out in 2019 by the Audit Committee is set out in the Audit Committee Report of this Annual Report.

The Charter has a provision on the requirement for a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.

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.

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

### I. COMMUNICATION WITH STAKEHOLDERS

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

Shareholders and other stakeholders of the Company, as the case may be, are provided with accurate and timely dissemination of information via the Annual Reports, circulars to shareholders, quarterly financial reports and the various announcements which provide an overview of the Group's financial results, business performance and operations. Shareholders and other stakeholders can access information at the Company's website at [www.warisantc.com.my](http://www.warisantc.com.my), which includes the Board Charter, corporate information, announcements, financial information, and Annual Reports.

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

### II. CONDUCT OF GENERAL MEETINGS

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification.

At the 22nd AGM held on 31 May 2019, all the Directors (including the chair of the Board Committees) and Senior Management were present in person to engage directly with the shareholders. During the AGM, the Chairman of the meeting ensured the meeting was conducted in an orderly manner and allowed shareholders or proxies to raise questions or seek clarification on agenda items of the AGM. The Chief Executive Officer presented to the Meeting the Group's financial performance, some key initiatives and business outlook of the year. The Directors and Senior Management responded to all questions raised and provided clarification as required by the shareholders. A summary of key matters discussed at the AGM is available on the Company's website.

All resolutions set out in the notice of AGM are voted by poll in accordance with the Listing Requirements of Bursa Malaysia. The Board had adopted electronic voting method for polling at the last AGM to facilitate greater shareholders' participation, enabling efficiency in the voting process as well as ensuring transparency and accuracy of the voting results.

This Statement is dated 18 May 2020.

# 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 2019.

## 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 <i>Independent Non-Executive Director</i>	Chairman	6/6
Datuk Abdullah bin Abdul Wahab <i>Independent Non-Executive Director</i>	Member	5/6
Lee Min On <i>Independent Non-Executive Director</i>	Member	5/6

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, 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 to provide explanations and additional information, if needed, to assist the Committee on the agenda items being deliberated. 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 that needs 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 and Remuneration Committee. Having considered the recommendation made by the Nominating and Remuneration Committee, the Board was satisfied that the Committee members are able to discharge their functions, duties and responsibilities in accordance with the Committee's Terms of Reference.

In compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Committee's Terms of Reference have been uploaded onto the Company's website at [www.warisantc.com.my](http://www.warisantc.com.my).

# 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 work during the financial year under review and up to the date of this Report:

### (1) Financial Reporting

- (a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on key material matters, which included the going concern assumption, and ensured the disclosures thereof were in compliance with the Malaysian Financial Reporting Standards and the Listing Requirements of Bursa Malaysia before recommending the same to the Board for approval to release the quarterly financial results to Bursa 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 financial reporting standards, together with significant matters highlighted in the financial statements.

### (2) External and Internal Audit

- (a) Reviewed the external auditors' Audit Plan for the Company and Group, which outlined the external auditors' responsibilities, key audit matters, scope of work, in particular the key audit areas, as well as non-audit services for the financial year ended 31 December 2019 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, including auditing standards that were mandated by the Malaysian Institute of Accountants and the impact of new Malaysian Financial Reporting Standards on the results of the Company and Group;
- (c) Discussed and reviewed the areas for improvements in the internal control system of companies in the Group and information technology general control of the Group as highlighted by the external auditors, including the steps that need to be taken by Management to address the issues;
- (d) Considered the suitability and independence of the external auditors by assessing, among others, the adequacy of their resources, timeliness of services, technical knowledge, experience, skills, independence and objectivity, their audit engagement and the competence of the audit team members assigned to the engagement. After having assessed the external auditors in February 2020 and obtained a written assurance from the external auditors confirming their independence throughout the course of audit engagement, 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. Accordingly, 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;
- (e) Held four (4) private sessions with the external auditors without the presence of Executive Directors, Senior Management and Committee Secretaries. These sessions enabled the external auditors to discuss with candour with the Committee on any other matters noted by the external auditors during the course of their audit without being beholden to Management's presence;
- (f) Reviewed and approved the annual internal audit plan to ensure the adequacy of scope and coverage of the auditable areas, including staffing requirements and ensured high risk areas are covered on a regular basis;

# AUDIT COMMITTEE REPORT

cont'd

- (g) Reviewed the scope of internal audit 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 where internal audit issues were raised and who were required to attend the Committee meeting to provide further explanations to the Committee, were entrusted to formulate action plans to improve internal control procedures and workflow processes based on the internal auditors' recommendations;
- (i) Reviewed the independence, performance, competence and effectiveness of the internal audit function;
- (j) Reviewed the External Assessment Report relating to the assessment of the Company's internal audit function in compliance with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors Inc.; and
- (k) Held three (3) private sessions with the Head of Internal Audit without the presence of Executive Directors, Senior Management and Committee Secretaries. This session provided a platform for the Head of Internal Audit to discuss with the Committee areas of professional reservations he might have, including limitation in his scope of work by Management during the course of internal audit, if any.

## (3) Related Party Transactions and Recurrent Related Party Transactions

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

## (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 Corporate Risks Scorecards of the Group as presented by the Chief Executive Officer, and endorsed the action plans that were being implemented by Management of the various business units to mitigate the business risks to acceptable levels;
- (c) Reviewed the terms of reference of the Audit Committee and recommended the same for adoption by the Board; and
- (d) Reviewed the Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy in accordance with the Guidelines on Adequate Procedures issued by the Government pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 and recommended the same for adoption by the Board.

# AUDIT COMMITTEE REPORT

cont'd

## 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. The GIA is headed by Mr Khoo Choong Keat, a Certified Internal Auditor and Certified Fraud Examiner, who is assisted by three (3) internal audit personnel. During the financial year under review, all the internal audit team members have confirmed in writing that they were independent of Management and their objectivity had not been compromised in the course of their work. All internal audits carried out during the financial year under review and up to the date of this Report were guided by the IPPF of The Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

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.

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

### 1) Car Rental Division

- o Branch operations activities covering fleet movement control and record, car rental agreement, stock, fuel card management, traffic summon management, invoicing and collections, credit term and credit control, vehicles ownership; and
- o Headquarter operations review covering stock, traffic summon management; coach and chauffer drivers;

### 2) Machinery Division

- o Branch operations review covering East and West Malaysia branches on services management, stock management, procurement processes, invoicing and collection, safety and health, fuel card management, trade debtors and traffic summon management;

### 3) Automotive Division

- o Year-end stock-take activities covering light and heavy commercial vehicles, pick-up trucks and its accessories; and
- o Branch operations activities covering stock control on spare and accessory part management;

### 4) Consumer Product Division

- o Year-end stock-take activities on jointly controlled entities companies, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd;

### 5) Risk Management

- o Assesses the effectiveness of risk management processes at Mayflower Holidays Sdn Bhd;

# AUDIT COMMITTEE REPORT

cont'd

## 6) Captive Insurance

- o Mandatory audit that covering compliance with laws and regulations of the Labuan Financial Services Authority, anti-money laundering, data integrity, claim processes, level of authority, and risk management process; and

## 7) RRPTs

- o Reviewed RRPTs to ensure that they were transacted based on arm's length basis and in line with the Shareholders' Mandate on RRPTs and the Group's Related Party Transactions Framework.

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.

This Statement is dated 18 May 2020.

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

## BOARD RESPONSIBILITY

The Board of Directors (“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 associate and jointly controlled entities whereby the Group’s interest is served through representation on the Board of the associate and jointly controlled entities companies. 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. During the financial year, key risks relating to the Group’s operations and strategic mission were addressed, evaluated and subsequently tabled and endorsed by the Board, including the actions implemented by Management to mitigate the risks to acceptable levels.

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 and Sustainability Committee (“RSC”), which is headed by an Executive Director and comprises key management personnel from the respective business divisions. The RSC 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 and to review sustainability matters, including economic, environmental and social matters, policies and programmes and overseeing performance in such areas and the extent of any action taken by Management to address areas identified for improvement. Minutes of the RSC meetings are presented to the Audit Committee and the Board for notation. For more information on sustainability, refer to the Sustainability Statement of this Annual Report;
- 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
- Periodic updates on Corporate Risk Scorecards by the heads of business division. The high and significant risks, based on the Scorecard, are subject to regular reviews, in particular, internal controls deployed to address such risks.

The RSC 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 mitigate 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 as well as other key risks affecting cyber security and reputation. 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 is critical for the Group’s sustainability, safeguarding of 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 | <ul style="list-style-type: none"> <li>• Development of risk management process;</li> <li>• Establishment of risk parameters, covering financial and non-financial metrics, on the likelihood of risk occurrence and the impact thereof in the event of occurrence. The risk parameters essentially articulate the risk appetite of the Group;</li> <li>• Adoption of risk management policies and procedures;</li> <li>• Identification of major risk components;</li> <li>• Assignment of risk custodians;</li> <li>• Review of risk assessment summary;</li> <li>• Review of risk profile summary; and</li> <li>• Update of the Group Corporate Risk Scorecard.</li> </ul> |
| Process Stage   | <ul style="list-style-type: none"> <li>• Develop and evaluate major risk components;</li> <li>• Develop and evaluate major risk profiles;</li> <li>• Develop, implement and monitor risk management action plans; and</li> <li>• On-going management of risk.</li> </ul>  |

The implementation of risk management activities at subsidiary level is carried out by the working group, comprising heads of subsidiary and selected senior management personnel ("Subsidiary Sub-Risk Committees"), which assists the RSC 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 RSC 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 RSC. This process enables the RSC to evaluate the adequacy and operating effectiveness of the risk management process and internal control system.

The RSC 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, cyber risk, competition risk, human capital risk and risk on regulatory compliance. All matters discussed and decisions made by the RSC during the financial year were 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, authority limit thresholds, delegation of authority, segregation of duties and information flow;
- The Executive Management Committee reviews high level operating policies as well as monitors the performance and profitability of business divisions;
- Internal policies and procedures have been established in writing for adherence by personnel in the Group;
- Business planning and budgetary process for business units with periodical monitoring of performance so that major variances are followed up and management actions taken;

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

cont'd

- 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 as well as from the budget;
- 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 standards of integrity. This framework establishes comprehensive programmes 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 Complaint Policy which sets out procedures for employees to raise concern on any questionable practices or improper activities within the Group.

The Board has also established an Anti-Bribery and Anti-Corruption ("ABAC") Policy for the Group, guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009. It is designed to provide a framework governing the general principles and processes on the giving and receipt of gratification. The primary aim of the ABAC Policy is to promote and maintain good governance, integrity and accountability within the Group and to govern the Group's interaction with its stakeholders.

## 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. In assessing the independence of internal auditors, the head of internal audit has confirmed to the Audit Committee that he and his team are free from any relationship or conflict of interest which could impair their objectivity and independence.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2019 amounted to approximately RM454,800 (2018: approximately RM423,900).

# RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

cont'd

## 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 risk management and internal control. Moreover, the Board has received assurance in writing from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system, covering all key controls, including strategic, financial, operational and compliance controls, is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework adopted by the Group. 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.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the financial year ended 31 December 2019, and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the 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 18 May 2020.

## ADDITIONAL COMPLIANCE INFORMATION

AS AT 29 MAY 2020

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

**(i) Utilisation of proceeds**

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

**(ii) 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 2019 were as follows:

	Group 2019 RM'000	Company 2019 RM'000
Statutory audit fees	255	26
Non-audit fees*	122	10

Note:

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

**(iii) Material contracts**

Save as disclosed below, there were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests, entered into since the end of the previous financial year or still subsisting at the end of the financial year under review:

Subscription and Shareholders' Agreement dated 29 May 2020 ("SSA") between Warisan TC Holdings Berhad ("WTCH"), TC Capital Resources Sdn Bhd ("TCCR") [a wholly-owned subsidiary of Tan Chong Motor Holdings Berhad ("TCMH")], TCCL Sdn Bhd ("TCCL") [a wholly-owned subsidiary of TCMH] and MUV Marketplace Sdn Bhd ("MUV") [a wholly-owned subsidiary of WTCH] to regulate the relationship of the parties as shareholders through the equity participation by TCCR and TCCL by way of subscription of 243,750 new ordinary shares each in MUV at a cash subscription consideration of RM7,500,187.50 paid by each of TCCR and TCCL (i.e. at a subscription price of RM30.77 per share).

Following the subscription, WTCH holds 84.210% shares whilst TCCR and TCCL each hold 7.895% shares in MUV.

The SSA was regarded as related party transaction by virtue of a Director and certain major shareholders of WTCH and TCMH having interest, direct or indirect, in the said transaction, namely:

- (i) Tan Chong Consolidated Sdn Bhd ("TCC") is a major shareholder of WTCH and TCMH; and
- (ii) Dato' Tan Heng Chew, a Director of WTCH and TCMH, and Tan Eng Soon, the brother of Dato' Tan Heng Chew, are major shareholders of WTCH and TCMH, and by virtue of their respective shareholdings in TCC, both Dato' Tan Heng Chew and Tan Eng Soon are also deemed to have indirect interest in the SSA pursuant to Section 8(4) of the Companies Act 2016.

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 MAY 2020

## SHARE CAPITAL

Total Number of Issued Shares : 67,200,000 ordinary shares  
 Total Issued Share Capital : RM67,200,000  
 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	1,794	39.29	78,251	0.12
100 - 1,000	2,052	44.94	677,047	1.01
1,001 - 10,000	562	12.31	1,961,792	2.92
10,001 - 100,000	109	2.39	3,642,121	5.42
100,001 - 3,255,019 (less than 5% of issued shares)	46	1.01	27,821,180	41.40
3,255,020 (5% of issued shares) and above	3	0.06	30,920,009	46.01
<b>Sub-Total</b>	<b>4,566</b>	<b>100.00</b>	<b>65,100,400</b>	<b>96.88</b>
<b>Treasury shares</b>			<b>2,099,600</b>	<b>3.12</b>
<b>Total</b>	<b>4,566</b>	<b>100.00</b>	<b>67,200,000</b>	<b>100.00</b>

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

Name	Direct No. of Shares Held	% <sup>(1)</sup>	Indirect No. of Shares Held	% <sup>(1)</sup>
1. Dato' Tan Heng Chew	4,321,033	6.64	30,639,928	47.07 <sup>(2)</sup>
2. Tan Keng Meng	100	- <sup>(3)</sup>	-	-
3. Chin Ten Hoy	-	-	-	-
4. Datuk Abdullah bin Abdul Wahab	-	-	-	-
5. Dato' Chong Kwong Chin	-	-	-	-
6. Lee Min On	-	-	-	-

### Notes:

(1) Percentage is based on total number of 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%.

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 MAY 2020  
cont'd

## SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

Name	Direct No. of Shares Held	% <sup>(1)</sup>	Indirect No. of Shares Held	% <sup>(1)</sup>
1. Tan Chong Consolidated Sdn Bhd	23,446,509	36.02	-	-
2. Dato' Tan Heng Chew	4,321,033	6.64	27,844,509	42.77 <sup>(2)</sup>
3. Wealthmark Holdings Sdn Bhd	4,398,000	6.76	-	-
4. Tan Eng Soon	-	-	23,446,509	36.02 <sup>(3)</sup>

### Notes:

- (1) Percentage is based on total number of issued shares less treasury shares.  
(2) Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") 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 TCC pursuant to Section 8(4) of the Act.

## THIRTY LARGEST SHAREHOLDERS

Name	No. of Shares Held	%*
1. Tan Chong Consolidated Sdn Bhd	21,004,909	32.27
2. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for UBS Switzerland AG (Clients Assets)</i>	6,317,100	9.70
3. AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank (M) Berhad for Wealthmark Holdings Sdn Bhd</i>	3,598,000	5.53
4. Tan Chong Consolidated Sdn Bhd	2,371,600	3.64
5. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Tan Heng Chew (PB)</i>	1,762,000	2.71
6. Pang Sew Ha @ Phang Sui Har	1,738,095	2.67
7. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Khor Swee Wah @ Koh Bee Leng (PBCL-0G0657)</i>	1,385,169	2.13
8. Tan Boon Pun	1,210,500	1.86
9. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Tan Heng Chew (PBCL-0G0911)</i>	1,135,000	1.74
10. Key Development Sdn Berhad	1,130,000	1.74
11. Cartaban Nominees (Tempatan) Sdn Bhd <i>Exempt An for Standard Chartered Bank Singapore (EFGBHK-Tempatan)</i>	1,100,000	1.69
12. Tan Ban Leong	1,055,307	1.62
13. Tan Beng Keong	1,055,307	1.62
14. Wong Yu @ Wong Wing Yu	891,500	1.37
15. Wealthmark Holdings Sdn Bhd	800,000	1.23
16. CIMB Group Nominees (Asing) Sdn Bhd <i>Exempt An for DBS Bank Ltd (SFS)</i>	789,800	1.21
17. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Heng Chew</i>	764,400	1.17

## ANALYSIS OF SHAREHOLDINGS

AS AT 29 MAY 2020

cont'd

### THIRTY LARGEST SHAREHOLDERS (cont'd)

Name	No. of Shares Held	%*
18. Gan Teng Siew Realty Sdn Berhad	692,500	1.06
19. Tan Chee Keong	682,960	1.05
20. Tan Hoe Pin	682,960	1.05
21. UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Teo Kwee Hock</i>	654,600	1.01
22. Wong Yu @ Wong Wing Yu	654,600	1.01
23. Chinchoo Investment Sdn Berhad	583,700	0.90
24. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Heng Chew (E-KLC)</i>	561,600	0.86
25. Tan Hoe Pin	442,405	0.68
26. Lee Lang	406,784	0.62
27. Tan Chee Keong	372,347	0.57
28. Key Development Sdn Berhad	358,900	0.55
29. Associated Abrasives Sdn Bhd	331,600	0.51
30. Rengo Malay Estate Sendirian Berhad	330,000	0.51
<b>TOTAL</b>	<b>54,863,643</b>	<b>84.28</b>

Note:

\* Percentage is based on total number of issued shares less treasury shares.

## GROUP PROPERTIES

AS AT 31 DECEMBER 2019

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	6.9	43	1.10.1977	2017
Lot 9, Jalan Delima 1/1 Subang Hi Tech Industrial Park 40000 Shah Alam Selangor	Showroom, office, workshop & vehicle storage yard	98,349	53,766	Freehold	20.4	27	20.12.1990	2017
43, Jalan IMJ 3 Taman Industry Malim Jaya 75050 Malacca	Office and workshop	11,087	3,700	Leasehold 18.11.2095	0.9	23	12.12.1996	2017
19, Jalan Bertam 8 Taman Daya 81100 Johor Bahru Johor	Office and workshop	8,456	7,553	Freehold	1.6	27	20.5.2000	2017
Lot 1A, Jalan Kemajuan Seksyen 13 46200 Petaling Jaya Selangor	Office and warehouse	94,596	33,900	Leasehold 10.6.2074	45.4	45	10.9.2004	2019
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	23.9	27	2.3.2004	2017
Lot 22, Ground Floor Wisma Sabah Jalan Tun Razak 88000 Kota Kinabalu Sabah	Office lot	-	595	Leasehold 31.12.2071	0.6	42	23.10.2002	2017
No. 3, Jalan Perusahaan Perkhidmatan Pengkalan Taman Pengkalan Maju 34700 Simpang, Taiping Perak	Office building annexed with factory	72,646	57,464	Freehold	4.9	19	5.4.2007	2017
No. 1, Jalan Metro Pudu Fraser Business Park Off Jalan Yew 55100 Kuala Lumpur	Commercial shop office	2,902	16,296	Freehold	10.5	12	6.6.2008	2019
610 Jalan Nilai 3/15 Kawasan Perindustrian Nilai 3 71800 Nilai, Negeri Sembilan	Industrial building	3,003	3,003	Freehold	0.4	20	20.7.2004	2017
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	4.4	9	2.12.2009	2017
41, Jalan IMJ 3 Taman Industry Malim Jaya 75250 Malacca	Office and workshop	5,597	5,200	Leasehold 18.11.2095	0.6	23	22.12.2014	2017
No. 3, Jalan IM 3/16 Bandar Indera Mahkota 25200 Kuantan, Pahang	Office and workshop	18,406	12,870	Leasehold 11.6.2062	2.0	11	28.10.2016	-

## **STATEMENT ON DIRECTORS' RESPONSIBILITY**

### **FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company and their financial performance and cash flows for the financial year.

In preparing the financial statements for the year ended 31 December 2019, the Directors have:

1. adopted the appropriate accounting policies, which are consistently applied;
2. made judgments and estimates that are reasonable and prudent; and
3. ensured that the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 2016 are complied with.

The Directors have the responsibility for ensuring that the Company and the Group keep proper and adequate accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and to ensure that the financial statements comply with the requirements of the Companies Act, 2016. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

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

### RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year attributable to:		
Owners of the Company	(6,789)	2,473
Non-controlling interests	(614)	-
(Loss)/Profit for the financial year	(7,403)	2,473

### DIVIDEND

Since the end of the previous financial year, a final single tier dividend of 3.0 sen per ordinary share amounting to approximately RM1,953,000 in respect of the financial year ended 31 December 2018 was paid on 28 June 2019.

No dividend was recommended or declared by the directors in respect of the financial year ended 31 December 2019.

### SHARES AND DEBENTURES

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

### SHARE OPTIONS

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

### RESERVES AND PROVISIONS

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

# DIRECTORS' REPORT

cont'd

## TREASURY SHARES

At the Annual General Meeting held on 31 May 2019, the shareholders of the Company had granted mandate to the Company to purchase its own shares. During the financial year, the Company did not repurchase its own shares and none of the existing treasury shares held was cancelled, sold or used for such other purposes permitted under the Companies Act 2016.

As at 31 December 2019, the Company held 2,099,600 shares as treasury shares out of its total issued and paid-up share capital.

## SUBSIDIARIES

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

## DIRECTORS

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

Dato' Tan Heng Chew  
 Tan Keng Meng  
 Dato' Chong Kwong Chin  
 Datuk Abdullah bin Abdul Wahab  
 Chin Ten Hoy  
 Lee Min On

## LIST OF DIRECTORS OF SUBSIDIARIES

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

Ang Lay Bee	Phua Khim Hiang
Chaloraju A/L Subramaniam	Sai Chang Choon
Cheah Kwan Cheong	Tse Pei Chen
Chin Yen Song	Wong King Yoon
Christopher Tan Kok Leong	Yap Kiam Beng
Dato' Cheah Sam Kip	Yeap Ling Weng
Dato' Dr. Lim Weng Khuan	Yong Chau Chin
Dato' Hardev Singh A/L Pritam Singh	Desmond Hang Chai Wei ( <i>Appointed on 1 June 2019</i> )
Datuk Saharudin bin Muhamad Toha	Datuk Adeline Pung Shuk Ken ( <i>Appointed on 19 September 2019</i> )
Goh Kar Hua	Lee Weng Hoong ( <i>Appointed on 25 October 2019</i> )
Ho Wai Ming	Tan Soon Huat ( <i>Alternate of Nicholas Tan Chye Seng since 2018</i> )
Hout Kimmeng	( <i>Appointed on 19 February 2020</i> )
Kong Hon Khien	Alagasan A/L Gadigaselam ( <i>Appointed on 9 March 2020</i> )
Lee Kim Hay @ Tong Ah See	Tung Swee Har ( <i>Appointed on 13 March 2020</i> )
Lee Kin Hong	Gan Chin Hui ( <i>Appointed on 30 April 2020</i> )
Lee King Soon	Chang Pie Hoon ( <i>Resigned on 1 January 2019</i> )
Nicholas Tan Chye Seng	Ang Yue Lai ( <i>Resigned on 18 March 2019</i> )
Ng Kiat Seng	Gan Chin Yow ( <i>Resigned on 9 September 2019</i> )
Ong Hua Ann	Tan Tze Jen ( <i>Resigned on 17 February 2020</i> )

# DIRECTORS' REPORT

cont'd

## DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			At 31.12.2019
	At 1.1.2019	Acquisition	Disposal	
<i>The Company</i>				
Dato' Tan Heng Chew				
- direct interest	4,320,833	200	-	4,321,033
- indirect interest <sup>^</sup>	27,844,509	-	-	27,844,509
- indirect interest <sup>#</sup>	2,795,419	-	-	2,795,419
Tan Keng Meng				
- direct interest	100	-	-	100

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

<sup>#</sup> Indirect interest by virtue of interests held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

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

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

## DIRECTORS' BENEFITS

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.

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 remuneration received or due and receivable by the directors as disclosed in note 37(a) and (b) to the financial statements) by reason of a contract made by the Company or a related corporation with a 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 36(c) to the financial statements.

The directors and officers of the Company, subsidiaries and jointly controlled entities were insured against certain liability under a Directors' and Officers' liability insurance policy maintained on a group basis for up to a maximum of RM20,000,000 in aggregate for the period of 1 January 2019 to 30 June 2019 and a maximum of RM30,000,000 in aggregate thereafter. During the financial year, the total amount of insurance premium paid for the directors and officers of the Company, subsidiaries and jointly controlled entities was RM34,598.

# DIRECTORS' REPORT

cont'd

## CONSOLIDATION OF A SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END

Due to the local requirements in Myanmar, MAT Transportation Solution (Myanmar) Company Ltd ("MATTS"), a foreign subsidiary of the Company is adopting 30 September as its statutory financial year end, which does not coincide with that of the Company. The directors of the Company have been granted approval by Companies Commission of Malaysia under Section 247(3) of the Companies Act 2016 for MATTS to adopt a financial year end of 30 September, which does not coincide with that of the Company of 31 December. Management financial statements of MATTS made up to 31 December 2019 have been used for the purpose of preparing the consolidation financial statements of the Group.

## OTHER INFORMATION

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

- (i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts 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 or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability 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 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

cont'd

## SUBSEQUENT EVENTS

- (i) Since early 2020, the outbreak of Coronavirus Disease 2019 ("COVID-19") has evolved into a global pandemic, adversely affecting economies worldwide due to the widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of this virus. In Malaysia, the Group's operations, especially travel division, have been temporarily disrupted as a result of the relevant government authorities' measures in response to the emergence of COVID-19. The Group is cognizant of the challenges posed by these developing events and the potential impact they have on its financial position, financial performance and cash flows subsequent to the financial year. The Group will continuously assess the situation and put in place measures to minimise impact to its business. As the situation is still evolving, the full effect of the outbreak of COVID-19 is subject to uncertainty and could not be ascertained yet.
- (ii) On 13 March 2020, Mayflower Holidays (Labuan) Pte Ltd (formerly known as TCIM (Labuan) Pte Ltd), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, Mayflower Holidays (Guangzhou) Co., Ltd ("MHG"). The intended principal activities of MHG are provision of inbound tours and air-ticketing services.

## AUDITORS

Auditors' remuneration is set out in note 30 to the financial statements.

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

## APPROVAL OF THE DIRECTORS' REPORT

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

**TAN KENG MENG**  
Director

**CHIN TEN HOY**  
Director

Kuala Lumpur

Date: 18 May 2020

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS 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 2019 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 66 to 145.

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 2019, 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 and the requirements of the Companies Act 2016 in Malaysia.

### *Basis for Opinion*

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

### *Independence and Other Ethical Responsibilities*

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

### *Key Audit Matters*

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

#### (a) Group

##### (i) Inventories

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

#### *The Risk:*

As at 31 December 2019, the inventories of the Group stood at RM167,294,000. According to MFRS 102 *Inventories* and the Group's accounting policy, inventories are measured at the lower of cost and net realisable value. The cost of inventories may not be recoverable, if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable, if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. At the end of the financial year, management applied judgement in estimating the net realisable value of the inventories. Estimates of net realisable value were based on the most reliable evidence available at the time the estimates were made, of the amount the inventories were expected to realise. These estimates took into consideration fluctuations of price or cost directly relating to events occurred after the end of the financial year to the extent that such events confirmed conditions existing at the end of the financial year.

# INDEPENDENT AUDITORS' REPORT

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

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

*Our Response:*

Our audit procedures included, among others, the following:

- We assessed the control over the Group's process in estimating the net realisable value of the inventories; and the write down or write off of inventories, where applicable.
- We attended and observed the physical inventory count at the end of the financial year, including management's process in assessing the condition of inventories. We also assessed the condition of inventories by identifying indicators of slow moving, damaged or obsolete inventories.
- We tested net realisable value of inventories estimated by management, based on available evidence of the amount the inventories were expected to realise. The evidence obtained including prices or costs of transactions or events occurred after the end of the financial year.
- We tested carrying amount of inventories, to assess whether inventories are carried at the lower of cost and net realisable value.
- We tested, where applicable, the adequacy of write down or write off of inventories which were assessed by management as slow moving, damaged or obsolete items.

(ii) Receivables

Refer to *Significant Accounting Judgements and Estimations* in note 4 to the financial statements and Receivables in notes 13 and 16 to the financial statements.

*The Risk:*

As at 31 December 2019, the receivables of the Group stood at RM162,656,000. According to MFRS 9 *Financial Instruments* and the Group's accounting policies, management determines the expected credit losses based on historical credit loss experience, adjusted for forward looking factors specific to receivables and the economic environment. Receivables have been grouped based on shared credit risk characteristics and days past due.

Due to the significance of receivables of the Group and the complexity involved in the measurement of expected credit losses, this is considered a key audit matter.

*Our Response:*

Our audit procedures included, among others, the following:

- We assessed the control over the Group's credit assessment, approval, recording and monitoring of receivables.
- We reviewed the methodologies and assumptions used by management in the measurement of expected credit loss.
- We reviewed the reasonableness of management's basis in determining historical rates, forward looking factors adjustment and expected credit loss rates.
- We assessed the reasonableness of management's basis in trade receivables written off.
- We assessed individually credit-impaired trade receivables.
- We assessed any adjusting event.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD

(Incorporated in Malaysia)

cont'd

- We assessed remaining credit exposure by way of taking into consideration of collections after the end of the financial year.

(b) Company

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

*Information Other than the Financial Statements and Auditors' Report Thereon*

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

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

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

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

*Responsibilities of the Directors for the Financial Statements*

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD

(Incorporated in Malaysia)  
cont'd

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

### OTHER MATTER

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

**MAZARS PLT**  
LLP0010622-LCA  
AF 001954  
Chartered Accountants

**CHONG FAH YOW**  
03004/07/2020 J  
Chartered Accountant

Kuala Lumpur

Date: 18 May 2020

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 RM'000	2018 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	271,125	277,422
Right-of-use assets	6	6,399	-
Investment property	7	45,400	45,400
Investments in associates	9	1,299	1,069
Investments in jointly controlled entities	10	42,129	37,348
Intangible assets	11	12,577	12,520
Deferred tax asset	12	3,535	2,575
Finance lease receivables	13	2,494	4,343
Other investments	14	6	6
<b>TOTAL NON-CURRENT ASSETS</b>		<b>384,964</b>	<b>380,683</b>
<b>CURRENT ASSETS</b>			
Inventories	15	167,294	168,885
Trade and other receivables	16	160,162	170,237
Derivative financial asset	17	-	38
Current tax asset		4,501	8,510
Short term deposits	18	2,885	4,893
Fixed deposits	19	35,178	24,390
Cash and bank balances		51,112	46,396
<b>TOTAL CURRENT ASSETS</b>		<b>421,132</b>	<b>423,349</b>
<b>TOTAL ASSETS</b>		<b>806,096</b>	<b>804,032</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019  
cont'd

	Note	2019 RM'000	2018 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	20	67,200	67,200
Treasury shares	21	(4,213)	(4,213)
Merger reserve	22(a)	(40,999)	(40,999)
Translation reserve	22(b)	3,347	3,392
Hedging reserve	22(c)	(287)	(100)
Revaluation reserve	22(d)	54,104	54,496
Retained earnings		244,857	255,853
Total equity attributable to owners of the Company		324,009	335,629
Non-controlling interests		11,155	11,269
<b>TOTAL EQUITY</b>		<b>335,164</b>	<b>346,898</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	6	2,797	-
Loans and borrowings	23	14,191	15,540
Retirement benefits obligation	24	10,232	6,324
Deferred tax liability	12	9,804	12,064
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>37,024</b>	<b>33,928</b>
<b>CURRENT LIABILITIES</b>			
Contract liabilities	25	6,893	7,463
Trade and other payables	26	187,582	156,070
Lease liabilities	6	3,863	-
Loans and borrowings	23	233,207	257,100
Current tax liability		1,985	2,404
Derivative financial liability	17	378	169
<b>TOTAL CURRENT LIABILITIES</b>		<b>433,908</b>	<b>423,206</b>
<b>TOTAL LIABILITIES</b>		<b>470,932</b>	<b>457,134</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>806,096</b>	<b>804,032</b>

The accompanying notes form an integral part of the financial statements

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 RM'000	2018 RM'000
Revenue	27	439,829	496,950
Cost of sales		(322,039)	(360,244)
Gross profit		117,790	136,706
Other income and gains		4,213	3,578
Selling and distribution expenses		(46,159)	(49,665)
Administrative and general expenses		(75,913)	(73,145)
(Loss)/Profit from operations		(69)	17,474
Finance income	28	1,184	1,931
Finance costs	29	(11,860)	(13,112)
Net finance costs		(10,676)	(11,181)
Share of results of equity accounted associates, net of tax	9	(373)	(384)
Share of results of equity accounted jointly controlled entities, net of tax	10	6,827	3,675
(Loss)/Profit before tax	30	(4,291)	9,584
Tax expense	31	(3,112)	(2,554)
(Loss)/Profit for the financial year		(7,403)	7,030
<b>Other comprehensive (loss)/income, net of tax:</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Change in fair value of cash flow hedge	32	(187)	287
Exchange differences on translation of foreign operations	32	(45)	126
		(232)	413

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

	Note	2019 RM'000	2018 RM'000
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefits obligation	32	(2,411)	725
Share of other comprehensive loss of jointly controlled entities	32	(235)	(19)
		<hr/>	<hr/>
		(2,646)	706
		<hr/>	<hr/>
Other comprehensive (loss)/income for the financial year		(2,878)	1,119
		<hr/>	<hr/>
Total comprehensive (loss)/income for the financial year		(10,281)	8,149
		<hr/>	<hr/>
<b>(Loss)/Profit for the financial year attributable to:</b>			
Owners of the Company		(6,789)	7,488
Non-controlling interests		(614)	(458)
		<hr/>	<hr/>
(Loss)/Profit for the financial year		(7,403)	7,030
		<hr/>	<hr/>
Basic (loss)/earnings per share (sen)	33	(10)	12
		<hr/>	<hr/>
<b>Total comprehensive (loss)/income for the financial year attributable to:</b>			
Owners of the Company		(9,667)	8,607
Non-controlling interests		(614)	(458)
		<hr/>	<hr/>
Total comprehensive (loss)/income for the financial year		(10,281)	8,149
		<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	←----- Attributable to Owners of the Company ----->							←----- Non-distributable -----> Distributable			
	Note	Share capital RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Hedging reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2018		67,200	(4,213)	(40,999)	3,266	(387)	54,888	249,871	329,626	(1,380)	328,246
Change in fair value of cash flow hedge		-	-	-	-	287	-	-	287	-	287
Exchange differences on translation of foreign operations		-	-	-	126	-	-	-	126	-	126
Remeasurement of retirement benefits obligation		-	-	-	-	-	-	725	725	-	725
Share of other comprehensive loss of jointly controlled entities		-	-	-	-	-	-	(19)	(19)	-	(19)
Other comprehensive income for the financial year		-	-	-	126	287	-	706	1,119	-	1,119
Profit for the financial year		-	-	-	-	-	-	7,488	7,488	(458)	7,030
Total comprehensive income for the financial year		-	-	-	126	287	-	8,194	8,607	(458)	8,149
Investments by non-controlling interests		-	-	-	-	-	-	-	-	13,107	13,107
Dividends paid to owners of the Company	34	-	-	-	-	-	-	(2,604)	(2,604)	-	(2,604)
Portion of revaluation reserve transferred through depreciation		-	-	-	-	-	(392)	392	-	-	-
At 31 December 2018		67,200	(4,213)	(40,999)	3,392	(100)	54,496	255,853	335,629	11,269	346,898

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

	←----- Attributable to Owners of the Company ----->							Total	Non- controlling interests	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings			
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	67,200	(4,213)	(40,999)	3,392	(100)	54,496	255,853	335,629	11,269	346,898
Change in fair value of cash flow hedge	-	-	-	-	(187)	-	-	(187)	-	(187)
Exchange differences on translation of foreign operations	-	-	-	(45)	-	-	-	(45)	-	(45)
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	(2,411)	(2,411)	-	(2,411)
Share of other comprehensive loss of jointly controlled entities	-	-	-	-	-	-	(235)	(235)	-	(235)
Other comprehensive loss for the financial year	-	-	-	(45)	(187)	-	(2,646)	(2,878)	-	(2,878)
Loss for the financial year	-	-	-	-	-	-	(6,789)	(6,789)	(614)	(7,403)
Total comprehensive loss for the financial year	-	-	-	(45)	(187)	-	(9,435)	(9,667)	(614)	(10,281)
Investments by non-controlling interests	-	-	-	-	-	-	-	-	500	500
Dividends paid to owners of the Company	-	-	-	-	-	-	(1,953)	(1,953)	-	(1,953)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(392)	392	-	-	-
At 31 December 2019	67,200	(4,213)	(40,999)	3,347	(287)	54,104	244,857	324,009	11,155	335,164

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 RM'000	2018 RM'000
OPERATING ACTIVITIES			
(Loss)/Profit before tax		(4,291)	9,584
Adjustments for:			
Allowance for doubtful debts	16(c)	754	1,424
Amortisation of intangible assets	11	626	810
Bad debts written off		38	89
Depreciation of property, plant and equipment	5	52,857	55,142
Depreciation of right-of-use assets	6	3,823	-
Gain on disposal of assets held for rental		(4,864)	(5,510)
Gain on disposal of other investments		-	(1)
Gain on disposal of property, plant and equipment		(248)	(147)
Impairment loss on property, plant and equipment	5	-	9
Interest expense	29	11,860	13,112
Interest income	28	(1,184)	(1,931)
Inventories written down	15(b)(ii)	891	1,924
Net unrealised gain on foreign exchange		(274)	(245)
Property, plant and equipment written off	5	554	338
Retirement benefits expense	24	994	992
Reversal of allowance for doubtful debts	16(c)	(233)	(741)
Share of results of equity accounted associates	9	373	384
Share of results of equity accounted jointly controlled entities	10	(6,827)	(3,675)
Operating profit before working capital changes		54,849	71,558
Changes in inventories		(12,743)	(25,901)
Changes in receivables		11,392	(15,220)
Changes in payables		30,814	20,923
Cash generated from operations		84,312	51,360
Interest received		948	1,318
Proceeds from disposal of assets held for rental		53,880	33,244
Retirement benefits paid	24	(259)	(248)
Tax paid, net of refunds		(1,847)	(5,747)
Net cash generated from operating activities		137,034	79,927

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

	Note	2019 RM'000	2018 RM'000
<b>INVESTING ACTIVITIES</b>			
Acquisition of additional equity interest in a subsidiary		-	(382)
Acquisition of equity interest in associates	9	(603)	-
Acquisition of intangible assets	11	(683)	(711)
Acquisition of property, plant and equipment	5(b)	(65,591)	(67,291)
Dividend received from jointly controlled entities	10	1,811	2,310
Interest received		236	613
Investments in non-controlling interests		-	(366)
Proceeds from disposal of other investments		-	5
Proceeds from disposal of property, plant and equipment		417	922
Withdrawal of fixed deposits		29,387	1,217
Withdrawal of short term deposits		365	4,893
Net cash used in investing activities		(34,661)	(58,790)
<b>FINANCING ACTIVITIES</b>			
Dividends paid	34	(1,953)	(2,604)
Drawdowns of bankers' acceptances		127,168	138,496
Drawdowns of hire purchases		17,284	9,844
Drawdowns of revolving credits		1,210,800	1,820,000
Drawdowns of term loans		2,244	-
Interest paid		(11,860)	(13,112)
Investments by non-controlling interests		500	13,107
Repayments of bankers' acceptances		(137,317)	(118,790)
Repayments of term loans		(10,961)	(12,370)
Repayments of hire purchases		(52,997)	(46,981)
Repayments of lease liabilities	6	(3,718)	-
Repayments of revolving credits		(1,198,717)	(1,821,100)
Net cash used in financing activities		(59,527)	(33,510)
NET CHANGES IN CASH AND CASH EQUIVALENTS		42,846	(12,373)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		53,776	65,698
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS		375	451
CASH AND CASH EQUIVALENTS CARRIED FORWARD		96,997	53,776

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

	Note	2019 RM'000	2018 RM'000
Cash and cash equivalents comprise the followings:			
Short term deposits	18	2,885	4,893
Fixed deposits	19	35,178	24,390
Cash and bank balances		51,112	46,396
Bank overdrafts	23	(958)	(931)
		<hr/> 88,217	<hr/> 74,748
Less:			
Surplus funds placed in short term deposits		(2,008)	(2,373)
Surplus funds withdrawn from/(placed in) fixed deposits		10,788	(18,599)
		<hr/> 96,997	<hr/> 53,776

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 RM'000	2018 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	5	5
Investments in subsidiaries	8	152,323	153,119
Investments in jointly controlled entities	10	24,568	24,568
Deferred tax asset	12	399	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>177,295</b>	<b>177,692</b>
<b>CURRENT ASSETS</b>			
Other receivables	16	8,130	3,661
Current tax asset		1	-
Short term deposits	18	206	199
Fixed deposits	19	161	156
Cash and bank balances		3,647	5,999
<b>TOTAL CURRENT ASSETS</b>		<b>12,145</b>	<b>10,015</b>
<b>TOTAL ASSETS</b>		<b>189,440</b>	<b>187,707</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	20	67,200	67,200
Treasury shares	21	(4,213)	(4,213)
Retained earnings		114,927	115,715
<b>TOTAL EQUITY</b>		<b>177,914</b>	<b>178,702</b>
<b>NON-CURRENT LIABILITIES</b>			
Retirement benefits obligation	24	1,721	-
Other payables	26	5,189	5,189
Deferred tax liability	12	-	14
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,910</b>	<b>5,203</b>
<b>CURRENT LIABILITY</b>			
Other payables	26	4,616	3,802
<b>TOTAL LIABILITIES</b>		<b>11,526</b>	<b>9,005</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>189,440</b>	<b>187,707</b>

The accompanying notes form an integral part of the financial statements

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 RM'000	2018 RM'000
Revenue	27	7,001	7,327
Other income and gains		32	12
Administrative and general expenses		(4,348)	(6,642)
Profit from operations		2,685	697
Finance income	28	109	118
Finance costs	29	(321)	(258)
Net finance costs		(212)	(140)
Profit before tax	30	2,473	557
Tax expense	31	-	(205)
<b>Profit for the financial year</b>		2,473	352
<b>Other comprehensive (loss)/income, net of tax</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefits obligation	32	(1,308)	773
<b>Total comprehensive income for the financial year</b>		1,165	1,125

The accompanying notes form an integral part of the financial statements

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	←----- Non-distributable ----->		Distributable	Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	
At 1 January 2018		67,200	(4,213)	117,194	180,181
Profit for the financial year		-	-	352	352
Other comprehensive income for the financial year		-	-	773	773
Total comprehensive income for the financial year		-	-	1,125	1,125
Dividends paid to owners of the Company	34	-	-	(2,604)	(2,604)
At 31 December 2018		67,200	(4,213)	115,715	178,702
Profit for the financial year		-	-	2,473	2,473
Other comprehensive loss for the financial year		-	-	(1,308)	(1,308)
Total comprehensive income for the financial year		-	-	1,165	1,165
Dividends paid to owners of the Company	34	-	-	(1,953)	(1,953)
At 31 December 2019		67,200	(4,213)	114,927	177,914

The accompanying notes form an integral part of the financial statements

# STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 RM'000	2018 RM'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		2,473	557
Adjustments for:			
Depreciation of property, plant and equipment	5	1	4
Impairment loss on investments in subsidiaries	8	796	3,305
Interest expense	29	321	258
Interest income	28	(109)	(118)
Retirement benefits expense	24	-	91
Operating profit before working capital changes		3,482	4,097
Changes in receivables		9	57
Changes in payables		814	(143)
Cash generated from operations		4,305	4,011
Tax paid		(1)	(230)
Net cash generated from operating activities		4,304	3,781
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	5	(1)	(3)
(Advances to)/Repayments from subsidiaries		(4,478)	152
Interest received		109	118
Placement of fixed deposits		(5)	(5)
Placement of short term deposits		(7)	(7)
Subscription of additional shares in subsidiaries	8	-	(567)
Net cash used in investing activities		(4,382)	(312)
<b>FINANCING ACTIVITIES</b>			
Dividends paid	34	(1,953)	(2,604)
Interest paid		(321)	(258)
Net cash used in financing activities		(2,274)	(2,862)
NET CHANGES IN CASH AND BANK BALANCES		(2,352)	607
CASH AND BANK BALANCES BROUGHT FORWARD		5,999	5,392
CASH AND BANK BALANCES CARRIED FORWARD		3,647	5,999

The accompanying notes form an integral part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

### 1. GENERAL INFORMATION

Warisan TC Holdings Berhad is a public company limited by way of shares and is incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 2.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2019 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

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

### 2. BASIS OF PREPARATION

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

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

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

#### Application of new standards, amendments and Issues Committee ("IC") Interpretations

In the current financial year, the Group and the Company have applied a number of new standards, amendments and IC Interpretations that became effective mandatorily for the financial period beginning on or after 1 January 2019. In the current financial year, the Group has adopted MFRS 16 Leases which is effective mandatorily for the annual period that began on or after 1 January 2019. The details of the adoption of the new accounting standard are disclosed in note 44.

#### New standard and amendments issued that are not yet effective

The Group and the Company have not applied the following new standard and amendments that have been issued by the MASB, which may be relevant to the Group and the Company, but are not yet effective:

		<i>Effective Date</i>
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	<i>1 January 2020</i>
Amendments to MFRS 3	Definition of a Business	<i>1 January 2020</i>
Amendments to MFRS 101 and MFRS 108	Definition of Material	<i>1 January 2020</i>
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	<i>1 January 2020</i>
MFRS 17	Insurance Contracts	<i>1 January 2021</i>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	<i>1 January 2022</i>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<i>To be announced by the MASB</i>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Consolidation

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

The Company controls an investee if and only if the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

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

#### *Changes of Interests in Subsidiaries*

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

When the Company loses control of a subsidiary:

- It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income ("OCI") relating to the former subsidiary.
- It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- It recognises any investment retained in the former subsidiary at its fair value when control is lost. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entities.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Business Combination

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

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

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

If, after reassessment, a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

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

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

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

#### (c) Property, Plant and Equipment

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

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

Freehold land is not depreciated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (c) Property, Plant and Equipment (continued)

The estimated useful lives are as follows:

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

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

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

### (d) Investment Property

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

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

### (e) Investments in Associates and Jointly Controlled Entities

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Investments in Associates and Jointly Controlled Entities (continued)

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

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

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

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

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

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

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

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

#### (g) Intangible Assets

##### *Goodwill*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Intangible Assets (continued)

#### *Intangible Assets Acquired Separately*

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

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

#### *Internally Generated Intangible Assets - Research and Development*

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

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

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

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

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

### (h) Income Tax

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

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

#### *Current Tax*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Income Tax (continued)

##### *Deferred Tax*

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

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

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

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

#### (i) Leases

##### *Lessee*

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Leases (continued)

#### *Lessor*

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

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

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

### (j) Inventories

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

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

### (k) Cash and Cash Equivalents

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

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

### (l) Financial Instruments

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

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

#### *Financial Assets*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Financial Instruments (continued)

##### *Subsequent Measurement*

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

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

##### *Financial Assets at Amortised Cost*

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

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

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

##### *Financial Assets at FVTOCI*

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

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

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

The Company does not have financial assets at FVTOCI.

##### *Equity instruments designated at FVTOCI*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Financial Instruments (continued)

#### *Equity instruments designated at FVTOCI (continued)*

A financial asset is held for trading if:

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

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

#### *Financial Assets at FVTPL*

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

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

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

#### *Impairment of Financial Assets*

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Financial Instruments (continued)

#### *Derecognition of Financial Assets*

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

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

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

#### *Financial Liabilities and Equity Instruments*

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

#### *Financial Liabilities*

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

#### *Financial liabilities at FVTPL*

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Financial Instruments (continued)

#### *Financial Liabilities at Amortised Cost*

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

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

The Company does not have financial liabilities at FVTPL.

#### *Derecognition of Financial Liabilities*

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

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

#### *Equity Instrument*

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

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

#### *Derivative Financial Instruments*

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

### (m) Impairment of Tangible and Intangible Assets

#### *Goodwill*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Impairment of Tangible and Intangible Assets (continued)

##### *Goodwill (continued)*

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

##### *Tangible Assets and Intangible Assets with Finite Useful Lives*

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

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

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

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

#### (n) 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 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 consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial 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.

#### (o) Borrowing Costs

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

#### (p) Hire purchases

Hire purchase payments are apportioned between the finance charges and reduction of the hire purchase liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (q) Employee Benefits

#### (i) Short-term and Other Long-term Employee Benefits

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

Long-term employee benefits are measured at the present value of the estimated future cash outflows in respect of services rendered by the employees up to the reporting date.

#### (ii) Post-employment benefits

##### (a) Defined contribution plan

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

##### (b) Defined benefit plan

The Group's and the Company's net obligations in respect of their defined benefit plans are calculated by estimating the discounted present value of future benefit that employees have earned in return for their services in the current and prior periods.

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

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

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

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

### (r) Provisions

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) Provisions (continued)

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

#### (s) Revenue

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

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

##### *Sales of Goods*

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

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

##### *Rendering of Services*

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

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

##### *Contract Balances Arising from Revenue Recognition*

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

##### *Other Revenue is Recognised as follows:*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (s) Revenue (continued)

*Contract Balances Arising from Revenue Recognition (continued)*

*Other Revenue is Recognised as follows (continued):*

- Rental income from investment property is recognised in profit or loss on a straight-line basis over the specific tenure of the respective leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.
- Dividend income is recognised when the right to receive payment is established.
- Insurance premium income is recognised on the date of the assumption of risks.

### (t) Foreign Currencies

*Transactions and Balances in Foreign Currencies*

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

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

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

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

*Translation of Foreign Operations*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (u) Segmental Reporting

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

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

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

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

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

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

### (v) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS

The preparation of the financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported assets, liabilities, income and expenses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

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 financial year in which the estimate is revised and in any future financial period affected.

### Critical Judgement

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

### Key Estimation and Assumption

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

#### (i) *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 leasehold land and 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 amount of property, plant and equipment as at the end of the reporting period is disclosed in note 5.

#### (ii) *Lease Liabilities*

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liabilities as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

The carrying amount of lease liabilities as at the end of the reporting period is disclosed in note 6.

#### (iii) *Land and Buildings*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

### Key Estimation and Assumption (continued)

#### (iv) *Goodwill*

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

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

#### (v) *Deferred Tax Asset*

Deferred tax asset is 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 asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

#### (vi) *Inventories*

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

Inventories are reviewed on a regular basis and the Group writes down inventories based primarily on historical trends and management's estimates of expected and future product demand and related pricing.

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

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

#### (vii) *Trade Receivables*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

### Key Estimation and Assumption (continued)

#### (vii) Trade Receivables (continued)

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

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

#### (viii) Non-trade Receivables

Management assesses the ECL of receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to twelve months ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

The carrying amount of other receivables as at the end of the reporting period is disclosed in note 16.

#### (ix) 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.

#### (x) 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 24. Where expectations differ from the original estimate, the differences will impact the carrying amount of the post-employment benefits obligations.

#### (xi) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 5. 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
<b>Cost/Valuation</b>										
At 1 January 2018	45,355	11,791	23,450	3,602	61,859	24,831	8,447	48,347	236,133	463,815
Additions	-	-	-	364	21,641	3,002	1,039	35,704	15,385	77,135
Disposals	-	-	-	-	(10,489)	(243)	-	(8,204)	(60,626)	(79,562)
Written off	-	-	-	-	-	(189)	-	(246)	(590)	(1,025)
Transfer to inventories (c)	-	-	-	-	-	-	-	(24,490)	(9,812)	(34,302)
Effects of movements in exchange rates	-	(2)	(1)	-	-	3	-	3	-	3
At 31 December 2018	45,355	11,789	23,449	3,966	73,011	27,404	9,486	51,114	180,490	426,064
Additions	-	-	-	19	16,741	2,382	1,065	29,871	32,797	82,875
Disposals	-	-	-	-	(17,751)	(2,994)	-	(1,605)	-	(22,350)
Written off	-	-	-	-	(3)	(18)	-	(241)	(711)	(973)
Transfer to inventories (c)	-	-	-	-	-	-	-	(4,986)	(66,718)	(71,704)
Effects of movements in exchange rates	-	(8)	(15)	-	-	-	-	-	-	(23)
At 31 December 2019	45,355	11,781	23,434	3,985	71,998	26,774	10,551	74,153	145,858	413,889
<b>Accumulated depreciation</b>										
At 1 January 2018	-	44	742	3,364	27,513	20,353	4,803	19,338	82,623	158,780
Charge for the financial year	-	250	691	134	12,100	2,106	1,186	13,403	25,272	55,142
Disposals	-	-	-	-	(8,625)	(161)	-	(4,999)	(37,268)	(51,053)
Written off	-	-	-	-	-	(188)	-	(155)	(344)	(687)
Transfer to inventories (c)	-	-	-	-	-	-	-	(8,327)	(6,069)	(14,396)
Reclassification	-	-	-	-	-	107	(107)	-	-	-
At 31 December 2018	-	294	1,433	3,498	30,988	22,217	5,882	19,260	64,214	147,786
Charge for the financial year	-	252	694	133	13,024	2,504	1,189	12,006	23,055	52,857
Disposals	-	-	-	-	(11,830)	(2,825)	-	(1,154)	-	(15,809)
Written off	-	-	-	-	(3)	(18)	-	(26)	(372)	(419)
Transfer to inventories (c)	-	-	-	-	-	-	-	(2,809)	(39,694)	(42,503)
Effects of movements in exchange rates	-	(1)	(3)	-	-	-	-	-	-	(4)
At 31 December 2019	-	545	2,124	3,631	32,179	21,878	7,071	27,277	47,203	141,908

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	←----- at valuation ----->			----- at cost ----->							Total
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery and equipment RM'000	Machinery and equipment for hire RM'000	Furniture, fixtures, fittings and office equipment RM'000	Renovation RM'000	Coaches, motor vehicles for hire and other motor vehicles RM'000	Cars for hire RM'000		
Accumulated impairment loss											
At 1 January 2018	-	-	839	-	-	7	1	-	-	847	
Charge for the financial year	-	-	-	-	-	-	-	9	-	9	
At 31 December 2018/ 31 December 2019	-	-	839	-	-	7	1	9	-	856	
Carrying amount											
At 31 December 2018	45,355	11,495	21,177	468	42,023	5,180	3,603	31,845	116,276	277,422	
At 31 December 2019	45,355	11,236	20,471	354	39,819	4,889	3,479	46,867	98,655	271,125	

(a) As at 31 December 2019, the carrying amount of cars for hire under hire purchase arrangements is RM54,845,000 (2018: RM67,131,000).

(b) Acquisition of property, plant and equipment

	2019 RM'000	2018 RM'000
Additions	82,875	77,135
Financed via hire purchase	(17,284)	(9,844)
Cash paid	65,591	67,291

(c) During the financial year, the carrying amount of motor vehicles and cars for hire amounting to RM29,201,000 (2018: RM19,906,000) was transferred to inventories as disclosed in note 15(a)(ii).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) The buildings are situated as follows:

	Carrying amount	
	2019	2018
	RM'000	RM'000
On leasehold land	3,652	3,827
On freehold land	16,264	16,783
In a multi-storey office complex with strata title	555	567
	20,471	21,177

The land and buildings under property, plant and equipment were revalued on 31 December 2017. The fair values of the land and buildings as at 31 December 2019 were based on valuations carried out by Rahim & Co International Sdn Bhd, a firm 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 is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) The buildings are situated as follows (continued):

Had the revalued property, plant and equipment been carried under the cost model, the 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 2019 and 31 December 2018 would be as follows:

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2018/31 December 2018/ 31 December 2019	15,612	4,145	16,306	36,063
<b>Accumulated depreciation</b>				
At 1 January 2018	-	763	4,243	5,006
Charge for the financial year	-	155	359	514
At 31 December 2018	-	918	4,602	5,520
Charge for the financial year	-	155	359	514
At 31 December 2019	-	1,073	4,961	6,034
<b>Carrying amount</b>				
At 31 December 2018	15,612	3,227	11,704	30,543
At 31 December 2019	15,612	3,072	11,345	30,029

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) The buildings are situated as follows (continued):

Company	Furniture, fixtures, fittings and office equipment	
	2019 RM'000	2018 RM'000
<b>Cost</b>		
At 1 January	381	414
Additions	1	3
Written off	(18)	(36)
At 31 December	364	381
<b>Accumulated depreciation</b>		
At 1 January	376	408
Charge for the financial year	1	4
Written off	(18)	(36)
At 31 December	359	376
<b>Carrying amount</b>		
At 31 December	5	5

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) The Group as Lessee

(i) Right-of-use Assets	2019	2018
	RM'000	RM'000
At 1 January	9,552	-
Additions	670	-
Charge for the financial year	(3,823)	-
At 31 December	6,399	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

#### (a) The Group as Lessee (continued)

	2019 RM'000	2018 RM'000
(ii) Lease Liabilities		
Current	3,863	-
Non-current	2,797	-
	<hr/> 6,660	<hr/> -

The right-of-use assets comprise of properties and car park, which are typically run for a period of one to five years. The leases do not impose any covenants. The changes in lease liabilities arising from financing activities are as follows:

	2019 RM'000	2018 RM'000
At 1 January	10,056	-
Lease payments	(3,718)	-
Finance costs	322	-
At 31 December	<hr/> 6,660	<hr/> -

#### (b) The Group as Lessor

	2019 RM'000	2018 RM'000
(i) Carrying amount of property, plant and equipment (subject to operating leases as lessor):		
Properties	20,471	-
Motor vehicles	145,522	-
Equipment	39,819	-
	<hr/> 205,812	<hr/> -
(ii) Carrying amount of investment property (subject to operating leases as lessor)	<hr/> 45,400	<hr/> -

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

#### (b) The Group as Lessor (continued)

	2019	2018
	RM'000	RM'000
(iii) Analysis of undiscounted lease receivables after the reporting date is as follows:		
Not later than one year	41,094	-
Later than one year but not later than five years	39,130	-
	80,224	-

### 7. INVESTMENT PROPERTY

	2019	2018
	RM'000	RM'000
<b>Group</b>		
At 1 January/31 December	45,400	45,400
Investment property comprises:		
Leasehold land	42,600	42,600
Buildings	2,800	2,800
	45,400	45,400

(a) Investment property comprises a commercial property that is leased to related parties. Each of the leases contains an initial lease period of one to two (2018: one to two) years. Subsequent renewals are negotiated with lessee and on an average renewal period of two years. No contingent rents are charged.

(b) The following is recognised in profit or loss in respect of the investment property:

	2019	2018
	RM'000	RM'000
Rental income	764	727
Direct operating expenses	131	129

(c) The Group measures its investment property at fair value and any change in fair value is recognised in profit or loss. The fair value of the investment property as at 31 December 2019 is based on a valuation carried out on 3 December 2019 by Rahim & Co International 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 sales comparison method and therefore is categorised as Level 2 in the fair value hierarchy. In the sales comparison approach, sales price of comparable properties in close proximity is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 8. INVESTMENTS IN SUBSIDIARIES

Company	2019 RM'000	2018 RM'000
<b>Unquoted shares, at cost</b>		
At 1 January	213,432	212,865
Additions	-	567
At 31 December	213,432	213,432
<b>Accumulated impairment loss</b>		
At 1 January	60,313	57,008
Charge for the financial year	796	3,305
At 31 December	61,109	60,313
<b>Carrying amount</b>		
At 31 December	152,323	153,119

The details of the subsidiaries are as follows:

Name of subsidiaries	Effective ownership and voting interest		Country of incorporation	Principal activities
	2019 %	2018 %		
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
Discovery Tours (Sabah) Sdn Bhd	100	100	Malaysia	Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services
MUV Marketplace Sdn Bhd +	100	100	Malaysia	Provision of used vehicles auction services, vehicle inspection and certification, and trading of used vehicles

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Effective ownership and voting interest		Country of incorporation	Principal activities
	2019 %	2018 %		
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
Angka-Tan Motor Sdn Bhd +	100	100	Malaysia	Assembly, distribution and sale of commercial and passenger vehicles
MUV Solutions Sdn Bhd	100	100	Malaysia	Provision of technology, maintenance and its related services
Tan Chong Apparels Manufacturer Sdn Bhd +	100	100	Malaysia	Manufacture of apparels
Warisan TC Automotive Manufacturers (M) Sdn Bhd	100	100	Malaysia	Manufacture and assembly of passenger and commercial vehicles
M A T Tours and Travel (Cambodia) Pte Ltd *	100	100	Cambodia	Operation of inbound, outbound tours and provision of air ticketing services
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 investment 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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Effective ownership and voting interest		Country of incorporation	Principal activities
	2019 %	2018 %		
Warisan Captive Incorporated	100	100	Labuan Malaysia	Captive insurance
MAT Transportation Solution (Myanmar) Company Limited * ^	100	100	Myanmar	Rental of cars and coaches and trading and marketing of motor vehicles
Tung Pao Sdn Bhd +	100	100	Malaysia	Inactive
Tan Chong Apparels Sdn Bhd +	100	100	Malaysia	Inactive
Excess Line Sdn Bhd	100	100	Malaysia	Inactive
TC Machinery Vietnam Pte Ltd *	100	100	Vietnam	Inactive
Grooming Expert Sdn Bhd +	100	100	Malaysia	Inactive
Mayflower Logistics Solutions Sdn Bhd	100	-	Malaysia	Dormant
Warisan Automotif Holdings Sdn Bhd	100	100	Malaysia	Dormant
ATM (Labuan) Pte Ltd	100	100	Labuan Malaysia	Dormant
Mayflower ITravel Sdn Bhd	100	100	Malaysia	Dormant
Mayflower Holidays (Labuan) Pte Ltd (formerly known as TCIM (Labuan) Pte Ltd)	100	100	Labuan Malaysia	Dormant
WTC Automotif (M) Sdn Bhd	100	100	Malaysia	Dormant
Gocar Mobility Sdn Bhd	95	95	Malaysia	Provision of online and mobile application platforms to fleet owners, fleet maintenance and management, and advertising services
Mayflower Online Sdn Bhd	80	80	Malaysia	Provision of multiple travel products and services via electronic platform
Comit Communication Technologies (M) Sdn Bhd +	75.5	75.5	Malaysia	Property investment holding

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Effective ownership and voting interest		Country of incorporation	Principal activities
	2019 %	2018 %		
Kereta Komersil Seladang (M) Sdn Bhd	70	70	Malaysia	Manufacturing, assembly and sale of commercial and passenger vehicles
TCIM Esasia Sdn Bhd	70	70	Malaysia	Inactive

+ Subsidiaries which were consolidated on the merger method of accounting

^ The financial year end for the said subsidiary is 30 September 2019. For the purpose of consolidation, the management financial statements of the said subsidiary are prepared to the same reporting date as the Group

\* Not audited by Mazars PLT

## 9. INVESTMENTS IN ASSOCIATES

Group	2019 RM'000	2018 RM'000
<b>Unquoted shares, at cost</b>		
At 1 January	1,636	1,636
Additions	603	-
At 31 December	2,239	1,636
<b>Share of post-acquisition reserve</b>		
At 1 January	(567)	(183)
Additions	(373)	(384)
At 31 December	(940)	(567)
<b>Carrying amount</b>		
At 31 December	1,299	1,069

(a) The associates are not material to the Group as at the end of the reporting period and therefore the summarised financial information of the associates is not presented.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 9. INVESTMENTS IN ASSOCIATES (continued)

(b) The details of the associates are as follows:

Name of associates	Effective ownership and voting interest		Country of incorporation	Principal activities
	2019 %	2018 %		
Mayflower Saha Travel (Thailand) Co., Ltd *	49	49	Thailand	Provision of air ticketing services, as well as inbound and outbound tours
Tan Chong Warisan Resources Management LLC *	49	-	United States of America ("USA")	Developing and sourcing for business opportunities in USA and Canada, sourcing for new and innovative products, technologies and/or services which can be commercially developed or commercialised and any other business related thereto

\* Not audited by Mazars PLT

### 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

Group	2019 RM'000	2018 RM'000
<b>Unquoted shares, at cost</b>		
At 1 January/31 December	17,356	17,356
<b>Share of post-acquisition reserve</b>		
At 1 January	19,992	18,637
Additions	4,781	1,355
At 31 December	24,773	19,992
<b>Carrying amount</b>		
At 31 December	42,129	37,348

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

Company	2019 RM'000	2018 RM'000
<b>Unquoted shares, at cost</b>		
At 1 January/31 December	24,568	24,568
<b>Carrying amount</b>		
At 31 December	24,568	24,568

(a) The details of the jointly controlled entities, which are all incorporated in Malaysia, are as follows:

Name of jointly controlled entities	Effective ownership and voting interest		Principal activities
	2019 %	2018 %	
Wacoal Malaysia Sdn Bhd ("Wacoal")	50	50	Distribution and sale of ladies lingerie
Shiseido Malaysia Sdn Bhd ("Shiseido") *	50	50	Distribution and sale of cosmetics and consumer products

\* Not audited by Mazars PLT

(b) The summarised financial information of the jointly controlled entities is as follows:

(i) Wacoal	2019 RM'000	2018 RM'000
<i>Statement of Financial Position</i>		
Current assets (excluding cash and bank balances)	34,780	33,263
Cash and bank balances	3,677	3,475
Non-current assets	16,275	5,924
Current liabilities	9,267	7,289
Non-current liabilities	7,901	174

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

(b) The summarised financial information of the jointly controlled entities is as follows (continued):

	2019 RM'000	2018 RM'000
(i) Wacoal		
<i>Statement of Profit or Loss and Other Comprehensive Income</i>		
Revenue	50,041	45,663
Interest income	314	195
Depreciation of property, plant and equipment	1,302	1,209
Profit before tax	5,208	3,196
Tax expense	1,441	847
Other comprehensive loss	141	-
Total comprehensive income	3,626	2,349
<hr/>		
(ii) Shiseido		
<i>Statement of Financial Position</i>		
Current assets (excluding cash and bank balances)	80,467	81,540
Cash and bank balances	20,892	23,592
Non-current assets	38,825	22,510
Current liabilities	45,203	46,126
Non-current liabilities	9,687	575
<hr/>		
<i>Statement of Profit or Loss and Other Comprehensive Income</i>		
Revenue	150,126	128,445
Interest income	374	396
Depreciation of property, plant and equipment	3,922	3,627
Profit before tax	13,543	6,365
Tax expense	3,657	1,365
Other comprehensive loss	328	43
Total comprehensive income	9,558	4,957
<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

(b) The summarised financial information of the jointly controlled entities is as follows (continued):

(iii) The reconciliation of net assets to carrying amount is as follows:

	2019 RM'000	2018 RM'000
<b>Group</b>		
Group's share of net assets	49,145	44,537
Elimination of unrealised profits	(7,016)	(7,189)
	42,129	37,348
Carrying amount in consolidated statement of financial position	42,129	37,348
Group's share of profit for the financial year	6,827	3,675
Group's share of other comprehensive loss for the financial year	(235)	(19)

(iv) During the financial year, the cash dividend received by the Company amounting to RM1,811,000 (2018: RM2,310,000).

### 11. INTANGIBLE ASSETS

	Goodwill RM'000	License RM'000	Software and applications RM'000	Total RM'000
<b>Group</b>				
<b>Cost</b>				
At 1 January 2018	8,676	700	3,625	13,001
Additions	245	-	711	956
	8,921	700	4,336	13,957
At 31 December 2018	8,921	700	4,336	13,957
Additions	-	-	683	683
	8,921	700	5,019	14,640
At 31 December 2019	8,921	700	5,019	14,640

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 11. INTANGIBLE ASSETS (continued)

Group	Goodwill RM'000	License RM'000	Software and applications RM'000	Total RM'000
<b>Accumulated amortisation</b>				
At 1 January 2018	-	-	627	627
Charge for the financial year	-	-	810	810
At 31 December 2018	-	-	1,437	1,437
Charge for the financial year	-	-	626	626
At 31 December 2019	-	-	2,063	2,063
<b>Carrying amount</b>				
At 31 December 2018	8,921	700	2,899	12,520
At 31 December 2019	8,921	700	2,956	12,577

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, Gocar Mobility Sdn Bhd and Kereta Komersil Seladang (M) Sdn Bhd.

The recoverable amounts of the abovementioned CGUs are determined based on value-in-use calculations using cash flow projections covering five years. The growth rates used for the five-year cash flow projections are in the range of 3% to 5% (2018: 3% to 5%) per annum and the terminal value growth rates used are in the range of 3% to 5% (2018: 3% to 5%).

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% (2018: 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 12. DEFERRED TAX ASSET/(LIABILITY)

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

Group	Asset		Liability		Total	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Property, plant and equipment	-	-	(11,288)	(14,373)	(11,288)	(14,373)
Investment property	-	-	(764)	(615)	(764)	(615)
Retirement benefits obligation	29	397	-	-	29	397
Tax loss carry forward	167	167	-	-	167	167
Other items	5,587	4,935	-	-	5,587	4,935
Deferred tax asset/(liability)	5,783	5,499	(12,052)	(14,988)	(6,269)	(9,489)
Offsetting	(2,248)	(2,924)	2,248	2,924	-	-
Net deferred tax asset/(liability)	3,535	2,575	(9,804)	(12,064)	(6,269)	(9,489)
<b>Company</b>						
Retirement benefits obligation	379	-	-	(34)	379	(34)
Other items	20	-	-	20	20	20
Net deferred tax asset/(liability)	399	-	-	(14)	399	(14)

No deferred tax asset is recognised in respect of the following items:

Group	2019 RM'000	2018 RM'000
Unutilised tax losses	45,857	37,624
Unabsorbed capital allowances	4,388	10,754
Other temporary differences	2,919	3,407
	53,164	51,785

Pursuant to the applicable tax legislation:

- (i) unabsorbed capital allowances can be carried forward indefinitely; and
- (ii) unutilised tax losses can be carried forward up to seven consecutive years of assessment (i.e. from years of assessment 2019 to 2025).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 12. DEFERRED TAX ASSET/(LIABILITY) (continued)

Movements of deferred tax are as follows:

Group	At 1 January RM'000	Recognised in profit or loss (note 31) RM'000	Recognised in other comprehensive (loss)/income (note 32) RM'000	At 31 December RM'000
<b>2019</b>				
Property, plant and equipment	(14,373)	3,085	-	(11,288)
Investment property	(615)	(149)	-	(764)
Retirement benefits obligation	397	(1,130)	762	29
Tax loss carry forward	167	-	-	167
Other items	4,935	519	133	5,587
Net deferred tax liability	(9,489)	2,325	895	(6,269)
<b>2018</b>				
Property, plant and equipment	(18,676)	4,303	-	(14,373)
Investment property	(615)	-	-	(615)
Retirement benefits obligation	329	297	(229)	397
Tax loss carry forward	167	-	-	167
Other items	3,990	1,030	(85)	4,935
Net deferred tax liability	(14,805)	5,630	(314)	(9,489)
<b>Company</b>				
<b>2019</b>				
Retirement benefits obligation	(155)	-	413	258
Other items	141	-	-	141
Net deferred tax (liability)/asset	(14)	-	413	399
<b>2018</b>				
Retirement benefits obligation	89	-	(244)	(155)
Other items	120	21	-	141
Net deferred tax asset/(liability)	209	21	(244)	(14)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 13. FINANCE LEASE RECEIVABLES

Group	2019 RM'000	2018 RM'000
Finance lease instalments receivable:		
- not later than one year	2,574	5,246
- later than one year but not later than five years	7,560	4,548
	10,134	9,794
Unexpired term charges	(411)	(654)
	9,723	9,140
Outstanding principal receivable not later than one year (note 16)	(7,229)	(4,797)
	2,494	4,343
Outstanding principal receivable later than one year but not later than five years	2,494	4,343

The effective interest rates of the finance leases ranging from 4.0% to 6.0% (2018: 3.0% to 6.0%) per annum depending on the amount financed and the tenure of the lease.

### 14. OTHER INVESTMENTS

Group	2019 RM'000	2018 RM'000
Equity instrument (unquoted shares) designated at FVTOCI		
At 1 January/31 December	6	6
Carrying amount		
At 31 December	6	6

### 15. INVENTORIES

Group	2019 RM'000	2018 RM'000
Raw materials	382	385
Work-in-progress	1,021	621
Equipment and machinery	71,752	84,849
Trading goods	3,083	2,636
Spare parts and workshop inventories	19,231	18,602
Commercial and passenger vehicles (a)	60,606	54,885
Complete knock down kits and accessories	11,219	6,907
	167,294	168,885

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 15. INVENTORIES (continued)

- (a) (i) Included in commercial and passenger vehicles are motor vehicles and cars for hire amounting to RM15,677,000 (2018: RM29,120,000).
- (ii) During the financial year, the carrying amount of motor vehicles and cars for hire amounting to RM29,201,000 (2018: RM19,906,000) was transferred from property, plant and equipment as disclosed in note 5(c).
- (iii) Motor vehicles and cars for hire amounting to RM42,644,000 were sold during the financial year.
- (b) The following items are recognised in profit or loss:
- (i) Inventories recognised as cost of sales amounting to RM201,669,000 (2018: RM259,330,000).
- (ii) Inventories written down to net realisable value amounting to RM891,000 (2018: RM1,924,000).

### 16. TRADE AND OTHER RECEIVABLES

Group	2019 RM'000	2018 RM'000
<b>Current</b>		
<i>Receivables from Contracts with Customers</i>		
Third parties (a)	108,019	120,542
Related parties (b)	15,469	16,032
	123,488	136,574
Allowance for doubtful debts (c)	(6,576)	(6,055)
	116,912	130,519
<i>Other Trade Receivables</i>		
Finance lease receivables (note 13)	7,229	4,797
Total trade receivables	124,141	135,316
Other receivables	17,847	20,503
Deposits	6,397	3,424
Prepayments	10,451	10,762
Related parties (d)	1,326	232
	160,162	170,237

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 16. TRADE AND OTHER RECEIVABLES (continued)

Company	2019 RM'000	2018 RM'000
Deposits	15	19
Prepayments	14	19
Subsidiaries (e)	8,100	3,622
Related parties (d)	1	1
	8,130	3,661

- (a) Customers are granted a credit period of 30 to 60 (2018: 30 to 60) days. For major established customers, the credit terms may be extended to 120 days based on the discretion of management.
- (b) The related parties are companies in which a director of the Company has substantial interest. The amounts owing by related parties are trade in nature, unsecured, interest-free and have a credit period of 60 to 120 (2018: 60 to 120) days.
- (c) Management applies simplified approach (i.e. lifetime expected credit losses) in measuring the loss allowance for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the trade receivables and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables, general economic conditions of the industry in which the trade receivables operate and an assessment of both the current as well as the forecast direction of conditions as at the end of the reporting date.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the trade receivable has been placed under liquidation or has entered into bankruptcy proceedings.

The movements in allowance for doubtful debts for trade receivables are as follows:

Group	2019 RM'000	2018 RM'000
At 1 January	6,055	5,372
Allowance	754	1,424
Reversal	(233)	(741)
	6,576	6,055

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 16. TRADE AND OTHER RECEIVABLES (continued)

The risk profile and ageing analysis of trade receivables are as follows:

<b>Group</b>	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
Not past due	65,751	66,964
Individual impairment	(173)	(1)
	<hr/> 65,578	<hr/> 66,963
1 to 30 days past due	24,493	25,607
Individual impairment	(34)	-
	<hr/> 24,459	<hr/> 25,607
31 to 120 days past due	17,970	28,983
Individual impairment	(56)	(507)
	<hr/> 17,914	<hr/> 28,476
Over 120 days past due	24,997	24,160
Individual impairment	(6,313)	(5,547)
	<hr/> 18,684	<hr/> 18,613
Total trade receivables (i)	<hr/> <b>126,635</b>	<hr/> <b>139,659</b>

(i) The breakdown is as follows:

<b>Group</b>	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
Third parties	101,443	114,487
Related parties	15,469	16,032
Other trade receivables:		
- Finance lease receivables (non-current portion)	2,494	4,343
- Finance lease receivables (current portion)	7,229	4,797
	<hr/> <b>126,635</b>	<hr/> <b>139,659</b>

(d) The amounts owing by related parties are non-trade in nature, unsecured, interest-free and receivable on demand.

(e) The amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and receivable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 17. DERIVATIVE FINANCIAL (LIABILITY)/ASSET

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

Group	2019			2018		
	Nominal value RM'000	Asset RM'000	Liability RM'000	Nominal value RM'000	Asset RM'000	Liability RM'000
Forward exchange contracts	25,175	-	(378)	25,420	38	(169)

## 18. SHORT TERM DEPOSITS

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 deposits are readily convertible to cash.

## 19. FIXED DEPOSITS

Fixed deposits are placed with licensed banks to earn effective interest rates ranging from 1.62% to 5.5% (2018: 0.8% to 5.5%) per annum. All fixed deposits have maturity periods of less than one year.

## 20. SHARE CAPITAL

Group and Company	2019 RM'000	2018 RM'000
Issued and fully paid:		
67,200,000 ordinary shares		
At 1 January/31 December	67,200	67,200

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## 21. TREASURY SHARES

Group and Company	Number of shares		At cost	
	2019 '000	2018 '000	2019 RM'000	2018 RM'000
At 1 January/31 December	2,099	2,099	4,213	4,213

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 21. TREASURY SHARES (continued)

At the Annual General Meeting held on 31 May 2019, the shareholders of the Company had granted mandate to the Company to purchase its own shares. During the financial year, the Company did not repurchase its own shares and none of the existing treasury shares held was cancelled, sold or used for such other purposes permitted under the Companies Act 2016.

## 22. RESERVES

### (a) Merger reserve

Merger reserve arose from those subsidiaries identified in note 8 which are consolidated on the merger method of accounting.

### (b) Translation reserve

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

### (c) Hedging reserve

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

### (d) Revaluation reserve

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

## 23. LOANS AND BORROWINGS

Group	2019 RM'000	2018 RM'000
<b>Non-current</b>		
Bank term loans (a)	1,664	-
Hire purchases (b)	12,527	15,540
Total non-current portion of loans and borrowings	14,191	15,540
<b>Current</b>		
Bank term loans (a)	369	10,750
Hire purchases (b)	14,521	29,994
Bankers' acceptances (c)	40,376	50,525
Revolving credits (d)	176,983	164,900
Bank overdrafts (e)	958	931
Total current portion of loans and borrowings	233,207	257,100
Total loans and borrowings	247,398	272,640

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 23. LOANS AND BORROWINGS (continued)

- (a) (i) The repayment terms of bank term loans are as follows:

	2019 RM'000	2018 RM'000
Not later than one year	369	10,750
Later than one year but not later than five years	1,664	-
	2,033	10,750

- (ii) The bank term loans are unsecured and bear effective interest rates ranging from 4.49% to 5.2% (2018: 4.49% to 5.2%) per annum.

- (b) (i) The repayment terms of hire purchases are as follows:

	Future minimum hire purchases RM'000	Future finance charges RM'000	Present value of minimum hire purchases RM'000
<b>2019</b>			
Not later than one year	15,587	(1,066)	14,521
Later than one year but not later than five years	13,007	(480)	12,527
	28,594	(1,546)	27,048
<b>2018</b>			
Not later than one year	31,571	(1,577)	29,994
Later than one year but not later than five years	16,307	(767)	15,540
	47,878	(2,344)	45,534

- (ii) The hire purchases are secured and bear flat interest rates ranging from 2.52% to 4.95% (2018: 2.52% to 4.95%) per annum.
- (c) The bankers' acceptances are unsecured and bear effective interest rates ranging from 3.44% to 4.78% (2018: 3.82% to 4.78%) per annum.
- (d) Revolving credits are unsecured and bear effective interest rates ranging from 3.88% to 5.35% (2018: 3.88% to 5.35%) per annum.
- (e) Bank overdrafts are unsecured and bears effective interest rates at 7.10% (2018: 7.10%) per annum.

Changes in loans and borrowings arising from financing activities pertain to drawdowns and repayments are presented in consolidated statement of cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 24. RETIREMENT BENEFITS OBLIGATION

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

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

The movements are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Present value of unfunded obligations</b>				
At 1 January	6,324	6,534	-	926
<u>Included in profit or loss</u>				
Current service cost	652	663	-	66
Interest costs	342	329	-	25
	994	992	-	91
<u>Included in other comprehensive (loss)/ income</u>				
Actuarial loss/(gain)	3,173	(954)	1,721	(1,017)
<u>Other</u>				
Benefits paid	(259)	(248)	-	-
At 31 December	10,232	6,324	1,721	-

The principal actuarial assumptions used in respect of the retirement benefits obligation were as follows:

Group and Company	2019	2018
Discount rate	4.12 to 4.39%	5.0 to 6.0%
Salary increase rate	5.5%	5.5 to 6.5%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 24. RETIREMENT BENEFITS OBLIGATION (continued)

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

Group	2019		2018	
	Increase RM'000	Decrease RM'000	Increase RM'000	Increase RM'000
Discount rate (1% movement)	(928)	1,095	(541)	564
Salary increase rate (1% movement)	620	(554)	558	(500)
<hr/>				
<b>Company</b>				
Discount rate (1% movement)	(15)	16	-	-
<hr/>				

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

## 25. CONTRACT LIABILITIES

Group	2019 RM'000	2018 RM'000
Consideration received in advance	5,183	5,910
Maintenance services (a)	1,710	1,553
	<hr/>	<hr/>
	6,893	7,463
	<hr/>	<hr/>

(a) Maintenance services are recognised upon collection of transaction price and being recognised as revenue over the service period.

## 26. TRADE AND OTHER PAYABLES

Group	2019 RM'000	2018 RM'000
Trade payables (a)	34,955	85,160
Related parties (b)	86,675	-
Other payables	10,799	14,605
Deposits received	20,557	17,702
Deferred interest income	-	41
Accruals	24,956	29,953
Related parties (c)	9,640	8,609
	<hr/>	<hr/>
	187,582	156,070
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 26. TRADE AND OTHER PAYABLES (continued)

Company	2019 RM'000	2018 RM'000
<b>Non-current</b>		
Subsidiaries (d)	5,189	5,189
<b>Current</b>		
Other payables	668	618
Accruals	35	35
Subsidiaries (d)	3,685	2,921
Related parties (c)	228	228
	4,616	3,802

- (a) The credit periods granted by trade payables ranging from 30 to 120 (2018: 30 to 120) days.
- (b) The related parties are companies in which a director of the Company has substantial interest. The amounts owing to related parties are trade in nature, unsecured, interest-free and have a credit period of 60 to 120 (2018: 60 to 120) days.
- (c) The amounts owing to related parties are non-trade in nature, unsecured, interest-free and repayable on demand.
- (d) The amounts owing to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand, except for an amount of RM5,189,000 (2018: RM5,189,000) not repayable within the next twelve months and which is subject to interest rate at 4.75% (2018: 4.75%) per annum.

### 27. REVENUE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue from contracts with customers (a)	239,824	307,325	-	-
Revenue from other sources (b)	200,005	189,625	7,001	7,327
	439,829	496,950	7,001	7,327

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 27. REVENUE (continued)

(a) The timing of revenue recognition from contracts with customers is summarised as follows:

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
At a point in time	210,949	279,979	-	-
Over time	28,875	27,346	-	-
	239,824	307,325	-	-

(b) The breakdown of revenue from other resources is as follows:

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Dividend income	-	-	7,001	7,327
Insurance premium income	4,096	3,452	-	-
Lease income	195,909	186,173	-	-
	200,005	189,625	7,001	7,327

## 28. FINANCE INCOME

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Interest income from fixed deposits	1,062	1,590	102	111
Interest income from short term deposits	122	341	7	7
	1,184	1,931	109	118

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 29. FINANCE COSTS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Bank term loans	2,510	908	-	-
Bankers' acceptances	1,766	1,637	-	-
Revolving credits	5,261	7,221	-	-
Hire purchases	1,799	3,298	-	-
Leases	322	-	-	-
Others	202	48	321	258
	11,860	13,112	321	258

### 30. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<i>(Loss)/Profit before tax is stated after charging/(crediting):</i>				
Allowances for doubtful debts	754	1,424	-	-
Amortisation of intangible assets	626	810	-	-
Auditors' remuneration - statutory audit:				
- Mazars PLT	255	255	26	26
- Other auditors	46	30	-	-
non-statutory audit:				
- Mazars PLT and affiliates	122	105	10	10
- Other auditors	13	13	-	-
Bad debts written off	38	89	-	-
Depreciation of property, plant and equipment	52,857	55,142	1	4
Depreciation of right-of-use assets	3,823	-	-	-
Gain on disposal of assets held for rental	(4,864)	(5,510)	-	-
Gain on disposal of other investments	-	(1)	-	-
Gain on disposal of property, plant and equipment	(248)	(147)	-	-
Impairment loss on investments in subsidiaries	-	-	796	3,305
Impairment loss on property, plant and equipment	-	9	-	-
Net realised loss on foreign exchange	11	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 30. (LOSS)/PROFIT BEFORE TAX (continued)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<i>(Loss)/Profit before tax is stated after charging/(crediting):</i>				
Net unrealised gain on foreign exchange	(274)	(245)	-	-
Property, plant and equipment written off	554	338	-	-
Rental expenses for land and buildings	-	4,858	-	-
Retirement benefits expense	994	992	-	91
Reversal of allowance for doubtful debts	(233)	(741)	-	-

### 31. TAX EXPENSE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Current tax</b>				
- current financial year	4,478	6,014	-	-
- underprovision in previous financial year	959	2,170	-	226
Total current tax	5,437	8,184	-	226
<b>Deferred tax</b>				
- current financial year	(2,400)	(3,089)	-	(21)
- under/(over)provision in previous financial year	75	(2,541)	-	-
Total deferred tax (note 12)	(2,325)	(5,630)	-	(21)
Total tax expense	3,112	2,554	-	205

The corporation income tax rate (the "applicable tax rate") in Malaysia is 24% (2018: 24%). Taxation for other jurisdictions is determined at the tax rate prevailing in the respective jurisdictions.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 31. TAX EXPENSE (continued)

The difference between tax expense and the amount of tax determined by multiplying the (loss)/profit before tax to the applicable tax rate, is analysed as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(Loss)/Profit before tax	(4,291)	9,584	2,473	557
Tax calculated at the applicable tax rate	(1,030)	2,300	594	134
Non-deductible expenses	4,401	3,190	1,111	1,629
Non-taxable income	(1,227)	(2,914)	(1,705)	(1,784)
Deferred tax asset previously not recognised	331	725	-	-
Difference in tax rates of other jurisdictions	(397)	(376)	-	-
Adjustment for previous financial year	1,034	(371)	-	226
	3,112	2,554	-	205

### 32. OTHER COMPREHENSIVE (LOSS)/INCOME

Group	2019			2018		
	Before tax RM'000	Tax effect RM'000	Net of tax RM'000	Before tax RM'000	Tax effect RM'000	Net of tax RM'000
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Change in fair value of cash flow hedge	(246)	59	(187)	378	(91)	287
Exchange differences on translation of foreign operations	(45)	-	(45)	126	-	126
	(291)	59	(232)	504	(91)	413

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 32. OTHER COMPREHENSIVE (LOSS)/INCOME (continued)

Group	2019			2018		
	Before tax RM'000	Tax effect RM'000	Net of tax RM'000	Before tax RM'000	Tax effect RM'000	Net of tax RM'000
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of retirement benefits obligation	(3,173)	762	(2,411)	954	(229)	725
Share of other comprehensive loss of jointly controlled entities	(309)	74	(235)	(25)	6	(19)
	(3,482)	836	(2,646)	929	(223)	706
	(3,773)	895	(2,878)	1,433	(314)	1,119
<b>Company</b>						
<i>Item that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of retirement benefits obligation	(1,721)	413	(1,308)	1,017	(244)	773

### 33. BASIC (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share have been calculated by dividing the Group's (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of shares in issue:

Group	2019	2018
(Loss)/Profit for the financial year attributable to Owners of the Company (RM'000)	(6,789)	7,488
Weighted average number of ordinary shares ('000) At 1 January/31 December	65,101	65,101
Basic (loss)/earnings per share (sen)	(10)	12

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 34. DIVIDENDS PAID

	2019	2018
Group and Company	RM'000	RM'000
<b>In respect of the financial year ended 31 December 2017</b>		
Final single tier dividend of 3.0 sen per ordinary share paid on 22 June 2018	-	1,953
<b>In respect of the financial year ended 31 December 2018</b>		
Interim single tier dividend of 1.0 sen per ordinary share paid on 28 September 2018	-	651
Final single tier dividend of 3.0 sen per ordinary share paid on 28 June 2019	1,953	-
	1,953	2,604

No dividend was recommended or declared by the directors in respect of the financial year ended 31 December 2019.

### 35. EMPLOYEE INFORMATION

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Employee costs	74,156	73,142	1,750	1,627
EPF	7,848	8,483	329	300
Retirement benefits obligation	994	992	-	91
	82,998	82,617	2,079	2,018

### 36. RELATED PARTY DISCLOSURES

For the purpose of the 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, associates, 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 36. RELATED PARTY DISCLOSURES (continued)

Other than those related party transactions and outstanding balances disclosed elsewhere in the financial statements, the significant related party transactions are disclosed below:

### (a) Transactions with subsidiaries

Company	2019 RM'000	2018 RM'000
Management fee	802	576
Finance costs	321	258

### (b) Transactions with jointly controlled entities

Group	2019 RM'000	2018 RM'000
Travel agency, car rental and workshop services	105	138

### (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:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<i>With TCMH group</i>				
Rental income	2,057	1,541	-	-
Sales	24,049	27,225	-	-
Travel agency, car rental and workshop services	6,660	8,813	-	-
Administrative and Information Technology ("IT") services	4,047	3,267	-	-
Assembly services and royalty fee	8,864	9,814	-	-
Hire purchases interest	191	918	-	-
Insurance agency services	8,365	5,581	52	31
Lease payments	1,890	-	-	-
Purchase of machinery	54	1,134	-	-
Purchases of property, plant and equipment	61,465	75,245	-	-
Purchase of spare parts	2,035	1,954	-	-
Purchase of trucks	-	1,680	-	-
Rental expenses	-	1,763	-	-
Workshop services	1,897	2,562	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 36. RELATED PARTY DISCLOSURES (continued)

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

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<i>With APM group</i>				
Rental income	1,050	1,062	-	-
Sales	-	126	-	-
Travel agency, car rental and workshop services	2,268	1,890	-	-
Lease payments	456	-	-	-
Purchase of IT and software	309	562	-	-
Purchase of property, plant and equipment	2	-	-	-
Purchase of spare parts	38	10	-	-
Rental expenses	-	436	-	-

### 37. 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 comprise the director (whether executive or otherwise) of the Company and certain senior management personnel of the Group.

Compensation paid and payable to key management personnel during the financial year comprises:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(a) Non-executive directors				
Fees	218	204	218	204
Allowances	48	56	48	56
	266	260	266	260

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

### 37. KEY MANAGEMENT PERSONNEL (continued)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(b) Executive directors				
Remuneration	2,941	2,861	1,734	1,578
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	11	21	-	-
EPF	436	407	329	300
Post-employment benefit	1,917	299	1,917	299
	5,305	3,588	3,980	2,177
(c) Other key management personnel				
Remuneration	2,527	2,332	-	-
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	44	55	-	-
EPF	248	283	-	-
Post-employment benefit	263	-	-	-
	3,082	2,670	-	-
Total	8,653	6,518	4,246	2,437

The compensation paid and payable to the executive directors was in respect of their contract of service or employment with the Group and the Company.

### 38. COMMITMENTS

Group	2019 RM'000	2018 RM'000
(a) Capital expenditure commitments		
Approved and contracted capital expenditure (property, plant and equipment) not provided for in the financial statements	923	26,332
	923	26,332

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 38. COMMITMENTS (continued)

(b) Operating lease commitments

(i) 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 one to five years.

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

	2019 RM'000	2018 RM'000
Not later than one year	-	47,170
Later than one year but not later than five years	-	32,127
	-	<u>79,297</u>

(ii) The Group as lessee

The Group leases office premises from various parties under non-cancellable operating leases for its operations. The leases have tenures of one to five 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 payables under non-cancellable operating leases are as follows:

	2019 RM'000	2018 RM'000
Not later than one year	-	2,483
Later than one year but not later than five years	-	822
	-	<u>3,305</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 39. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

Group	2019 RM'000	2018 RM'000
<b>(i) Financial assets at amortised cost</b>		
Finance lease receivables	9,723	9,140
Trade and other receivables *	140,986	146,013
Fixed deposits	35,178	24,390
Cash and bank balances	51,112	46,396
	236,999	225,939
<b>(ii) Financial assets at FVTPL</b>		
Derivative financial asset	-	38
Short term deposits	2,885	4,893
	2,885	4,931
<b>(iii) Financial asset at FVTOCI</b>		
Other investments	6	6
	6	6
<b>Company</b>		
<b>(i) Financial assets at amortised cost</b>		
Other receivables *	8,116	3,642
Fixed deposits	161	156
Cash and bank balances	3,647	5,999
	11,924	9,797
<b>(ii) Financial asset at FVTPL</b>		
Short term deposits	206	199
	206	199

\* Trade and other receivables exclude prepayments and GST recoverable

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 39. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

Group	2019 RM'000	2018 RM'000
<b>(i) Financial liabilities at amortised cost</b>		
Trade and other payables **	187,582	156,029
Loans and borrowings	247,398	272,640
	434,980	428,669
<b>(ii) Financial liability at FVTPL</b>		
Derivative financial liability	378	169
<b>Company</b>		
<b>(i) Financial liability at amortised cost</b>		
Other payables	9,805	8,991

\*\* Trade and other payables exclude deferred interest income

(b) Fair value of financial instruments

Management assessed that the fair values of all financial assets and financial liabilities approximate or are at their carrying amounts mainly due to their short term maturities or interest bearing nature except for the followings:

Group	Carrying amount RM'000	Fair value RM'000
<b>2019</b>		
<b>Financial liability</b>		
Loans and borrowings (level 3)	247,398	249,908
<b>2018</b>		
<b>Financial liability</b>		
Loans and borrowings (level 3)	272,640	273,548

There were no transfers between Level 1, 2 and 3 during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 40. FINANCIAL RISK MANAGEMENT

The Group's and the Company's business activities are exposed to a variety of financial risks. The board of directors sets policies, manages and monitors the financial risks relating to the operations of the Group and of the Company. The Group and the Company seek to mitigate the potential adverse effects arising from these risks on the financial position and financial performance of the Group and of the Company. The overall financial risk management is consistent with the previous financial years. There have been no significant changes in the Group's and the Company's exposure to financial risks or the manner in which these risks are managed and measured.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from various receivables. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counter parties.

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

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to the increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all receivables who wish to trade on credit terms is subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis resulting in the Group's and the Company's exposure to bad debts insignificant. Any receivables 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.

As at the end of reporting period, the Group and the Company did not have any significant exposure to any individual receivable or counter party or any major concentration of credit risk related to any financial asset.

### (b) Liquidity risk

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

The Group and the Company maintain a level of cash and bank balances and banking facilities deemed adequate by 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 FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 40. FINANCIAL RISK MANAGEMENT (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 as at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	Within one year RM'000	One to five years RM'000	Total RM'000
<b>2019</b>			
Trade and other payables	187,582	-	187,582
Loans and borrowings	233,207	26,741	259,948
Derivative financial liability	378	-	378
	<u>421,167</u>	<u>26,741</u>	<u>447,908</u>
<b>2018</b>			
Trade and other payables	156,070	-	156,070
Loans and borrowings	257,100	20,080	277,180
Derivative financial liability	169	-	169
	<u>413,339</u>	<u>20,080</u>	<u>433,419</u>
<b>Company</b>			
<b>2019</b>			
Other payables	4,616	6,794	11,410
<b>2018</b>			
Other payables	3,802	6,479	10,281

### (c) Interest rate risk

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 40. FINANCIAL RISK MANAGEMENT (continued)

### (c) Interest rate risk (continued)

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group and the Company manage their interest rate risk by placing such funds on short tenures of twelve months or less.

#### Sensitivity analysis for interest rate risk

The financial impact arising from changes in interest rate is not expected to be significant, accordingly the sensitivity has not been presented.

### (d) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk on sales, purchases as well as cash and bank balances that are denominated in a currency other than 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") and Euro ("EUR").

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

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

Group In RM'000	Denominated in				
	USD	CNY	JPY	EUR	Others
<b>2019</b>					
Trade receivables	714	707	-	-	54
Trade payables	(1,331)	-	(69)	(167)	-
Cash and bank balances	11,338	2	5	2	-
Net exposure	10,721	709	(64)	(165)	54
<b>2018</b>					
Trade receivables	-	104	-	-	-
Trade payables	(191)	-	(76)	(180)	(3)
Cash and bank balances	3,826	-	640	1	-
Net exposure	3,635	104	564	(179)	(3)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 40. FINANCIAL RISK MANAGEMENT (continued)

(d) Foreign currency exchange risk (continued)

### Sensitivity analysis for foreign currency exchange risk

A sensitivity analysis has been performed on the outstanding foreign currency receivables, payables as well as cash and bank balances of the Group as at the end of the reporting period.

A 10% strengthening or weakening of the abovementioned foreign currencies against Ringgit Malaysia as at the end of the reporting period would decrease or increase post-tax (loss)/profit by RM855,000 (2018: RM313,000), with all other variables remaining constant.

## 41. CAPITAL MANAGEMENT

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

The gearing ratios are as follows:

	2019	2018
Group	RM'000	RM'000
Loans and borrowings (note 23)	247,398	272,640
Less: Short term deposits (note 18)	(2,885)	(4,893)
Fixed deposits (note 19)	(35,178)	(24,390)
Cash and bank balances	(51,112)	(46,396)
Net debt	158,223	196,961
Total equity attributable to owners of the Company	324,009	335,629
Gearing ratio	49%	59%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019  
cont'd

## 42. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Automotive		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	24,903	28,921	37,593	54,072	(349)	(709)	4,484	(2,410)	66,631	79,874
<hr/>										
<u>Included in the measure of segment profit/(loss)</u>										
Revenue from external customers	195,042	247,654	150,364	168,324	27,678	55,830	66,745	25,142	439,829	496,950
Inter-segment revenue	-	-	862	1,414	-	-	-	-	862	1,414
Inventories written down	(891)	-	-	-	-	-	-	(1,924)	(891)	(1,924)
Impairment loss on property, plant and equipment	-	-	-	-	-	-	-	(9)	-	(9)
Share of results of equity accounted associates	-	-	-	-	-	-	(373)	(384)	(373)	(384)
Share of results of equity accounted jointly controlled entities	-	-	-	-	-	-	6,827	3,675	6,827	3,675
<hr/>										
<u>Not included in the measure of segment profit/(loss) but provided to Chief Operating Decision Makers</u>										
Depreciation and amortisation	(15,289)	(14,181)	(35,940)	(39,271)	(195)	(245)	(1,860)	(2,072)	(53,284)	(55,769)
Finance costs	(5,063)	(4,794)	(4,963)	(6,802)	(1,699)	(1,511)	(121)	(5)	(11,846)	(13,112)
Finance income	303	819	182	324	14	2	583	674	1,082	1,819
Tax expense	(1,774)	(1,275)	(626)	(892)	(2)	-	(710)	(387)	(3,112)	(2,554)
<hr/>										
Segment assets	272,059	290,390	307,477	301,746	53,223	47,724	120,091	114,950	752,850	754,810
<hr/>										
<u>Included in the measure of segment assets</u>										
Additions to non-current assets other than financial instruments and deferred tax asset	18,045	23,194	64,336	51,577	39	516	846	1,564	83,266	76,851
<hr/>										

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

## 42. SEGMENTAL ANALYSIS (continued)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities as well as other material items:

	2019 RM'000	2018 RM'000
(Loss)/Profit before tax		
Total profit for reportable segments	66,631	79,874
Depreciation and amortisation	(53,483)	(55,952)
Depreciation of right-of-use assets	(3,823)	-
Finance costs	(11,860)	(13,112)
Finance income	1,184	1,931
Non-reportable segment expenses	(2,940)	(3,157)
	(4,291)	9,584

	External revenue RM'000	Depreciation and amortisation RM'000	Depreciation of right-of-use assets RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
<b>2019</b>							
Total reportable segments	439,829	(53,284)	(3,823)	(11,846)	1,082	752,850	83,266
Other non-reportable segments	-	(199)	-	(14)	102	9,818	292
Share of assets from equity accounted associates and jointly controlled entities	-	-	-	-	-	43,428	-
	439,829	(53,483)	(3,823)	(11,860)	1,184	806,096	83,558
<b>2018</b>							
Total reportable segments	496,950	(55,769)	-	(13,112)	1,819	754,810	76,851
Other non-reportable segments	-	(183)	-	-	112	10,805	995
Share of assets from equity accounted associates and jointly controlled entities	-	-	-	-	-	38,417	-
	496,950	(55,952)	-	(13,112)	1,931	804,032	77,846

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

cont'd

### 43. SUBSEQUENT EVENTS

- (i) Since early 2020, the outbreak of Coronavirus Disease 2019 ("COVID-19") has evolved into a global pandemic, adversely affecting economies worldwide due to the widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of this virus. In Malaysia, the Group's operations, especially travel division, have been temporarily disrupted as a result of the relevant government authorities' measures in response to the emergence of COVID-19. The Group is cognizant of the challenges posed by these developing events and the potential impact they have on its financial position, financial performance and cash flows subsequent to the financial year. The Group will continuously assess the situation and put in place measures to minimise impact to its business. As the situation is still evolving, the full effect of the outbreak of COVID-19 is subject to uncertainty and could not be ascertained yet.
- (ii) On 13 March 2020, Mayflower Holidays (Labuan) Pte Ltd (formerly known as TCIM (Labuan) Pte Ltd), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, Mayflower Holidays (Guangzhou) Co., Ltd ("MHG"). The intended principal activities of MHG are provision of inbound tours and air-ticketing services.

### 44. ADOPTION OF NEW ACCOUNTING STANDARD

Prior to the adoption of MFRS 16 *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. Generally, lease expenses arising from operating leases were recognised in profit or loss on straight-line basis over the lease terms.

MFRS 16 replaced 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*. Upon adoption of MFRS 16, distinction between finance and operating leases for lessees are no longer applicable. All leases are brought onto the statement of financial position by recognising the right-of-use assets and the corresponding lease liabilities, except for some limited exemptions. Generally, lease liabilities are measured at the present value of the future lease payments. Upon initial recognition, right-of-use assets are measured at cost less accumulated depreciation and impairment losses. The corresponding finance costs and depreciation are recognised in profit or loss over the lease term.

The Group has adopted MFRS 16 for the first time in the financial statements for the financial year ended 31 December 2019 with the date of initial application of 1 January 2019 by applying the modified retrospective approach. Under the modified retrospective approach, the comparative information was not restated and the cumulative effects of initial application of MFRS 16 where the Group is a lessee were recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 and IC Interpretation.

### 45. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 18 May 2020.

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Keng Meng and Chin Ten Hoy, being two of the directors of Warisan TC Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 66 to 145 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

**TAN KENG MENG**  
Director

**CHIN TEN HOY**  
Director

Kuala Lumpur

Date: 18 May 2020

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Kong Hon Khien, being the officer primarily responsible for the financial management of Warisan TC Holdings Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 66 to 145 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly )  
declared by the abovenamed )  
Kong Hon Khien )  
at Kuala Lumpur )  
in the Federal Territory )  
on 18 May 2020 )

**KONG HON KHIEH**  
Chartered Accountant  
MIA Membership No.: CA 28614

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 Twenty-Third Annual General Meeting of WARISAN TC HOLDINGS BERHAD will be held fully virtual at the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 7 August 2020 at 10:30 a.m. to transact the following businesses:

### Ordinary Business

1. To lay the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To re-elect the following Directors who retire by rotation and being eligible, have offered themselves for re-election, in accordance with Article 98 of the Company's Constitution, as Directors of the Company:
  - (i) Mr Tan Keng Meng *Ordinary Resolution 1*
  - (ii) Dato' Chong Kwong Chin *Ordinary Resolution 2*
3. To approve the payment of Directors' fees of up to an amount of RM295,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 8 August 2020 until the next Annual General Meeting of the Company. *Ordinary Resolution 3*
4. To approve the payment of Directors' benefits of up to an amount of RM100,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 8 August 2020 until the next Annual General Meeting of the Company. *Ordinary Resolution 4*
5. To re-appoint Mazars PLT as Auditors of the Company for the financial year ending 31 December 2020 and to authorize the Directors to fix their remuneration. *Ordinary Resolution 5*

### As Special Business

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

6. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**
  - 6.1 "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." *Ordinary Resolution 6*
  - 6.2 "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." *Ordinary Resolution 7*

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

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

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that –

- (i) the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the purchase; and
- (ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until –

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities."

**Ordinary Resolution 8**

## NOTICE OF ANNUAL GENERAL MEETING

cont'd

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

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.1 of the Company's Circular to Shareholders dated 23 June 2020 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until –

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM 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."

**Ordinary Resolution 9**

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

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

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.2 of the Company's Circular to Shareholders dated 23 June 2020 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until –

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM 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 occur first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

**Ordinary Resolution 10**

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

By Order of the Board

**ANG LAY BEE**

SSM PC No. 201908003958 (MAICSA 0825641)

**NG BOON NGEE**

SSM PC No. 202008001269 (MAICSA 7053979)

Company Secretaries

Kuala Lumpur  
23 June 2020

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## NOTES:

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the Twenty-Third Annual General Meeting ("23<sup>rd</sup> AGM") of the Company will be conducted fully virtual through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tjih.online>. Please follow the procedures provided in the Administrative Notes for the 23<sup>rd</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the 23<sup>rd</sup> AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 23<sup>rd</sup> AGM is to inform shareholders where the electronic 23<sup>rd</sup> AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be allowed to physically present at the meeting venue.
3. A depositor whose name appears in Record of Depositors of the Company as at 30 July 2020 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak and vote at the 23<sup>rd</sup> AGM via RPV facilities.
4. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting via RPV facilities. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 23<sup>rd</sup> AGM of the Company.
5. Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
6. Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
  - (i) the securities account number;
  - (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
  - (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.
8. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

10. 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 23<sup>rd</sup> AGM.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of Annual General Meeting will be put to vote by poll.

## EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

### (1) Item 1 of the Agenda – Audited Financial Statements for financial year ended 2019

The laying of the Audited Financial Statements under Item 1 of the Agenda in accordance with Section 340(1)(a) of the Companies Act, 2016 is for the purposes of presenting the Audited Financial Statements to the shareholders and does not require approval of the shareholders.

### (2) Ordinary Resolutions 3 and 4 – Directors' Fees and Benefits

In accordance with Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company pays Directors' fees and benefits to the 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 approve a maximum aggregate amount of RM295,000 for the payment of Directors' fees to the INEDs of the Company during the course of the period from 8 August 2020 until the next Annual General Meeting of the Company.

The Board also recommends that shareholders approve a maximum aggregate amount of RM100,000 for the payment of benefits to the INEDs of the Company which mainly consist of meeting allowance (for acting as Chairman of the Meeting, not more than RM1,500 per meeting and for acting as Board/Board Committee members, not more than RM1,200 per meeting) during the course of the period from 8 August 2020 until the next Annual General Meeting of the Company.

### (3) Ordinary Resolutions 6 and 7 – Continuing in office as Independent Non-Executive Directors

Pursuant to the Malaysian Code on Corporate Governance, 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 and Remuneration 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, entrepreneurial skill, 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;

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

- (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;
- (iv) they are able to raise their independence views and 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 good attendance record at Board and Board Committee meetings, it is demonstrable of their commitment towards the Company's needs.

#### (4) Ordinary Resolution 8 – Proposed Renewal of Authority for the Company to Purchase Its Own Shares

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company at any point in time of the purchase ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority will continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, or revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 23 June 2020 despatched together with the Company's 2019 Annual Report.

#### (5) Ordinary Resolutions 9 and 10 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The proposed Ordinary Resolutions 9 and 10, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on Ordinary Resolutions 9 and 10 are set out in the Circular to Shareholders dated 23 June 2020 despatched together with the Company's 2019 Annual Report.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Twenty-Third Annual General Meeting of the Company ("23<sup>rd</sup> 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 23<sup>rd</sup> AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 23<sup>rd</sup> 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.

# ADMINISTRATIVE NOTES



**WARISAN TC HOLDINGS BERHAD**  
[Registration No.: 199701009338 (424834-W)]  
(Incorporated in Malaysia)

## ADMINISTRATIVE NOTES FOR TWENTY-THIRD ANNUAL GENERAL MEETING

Date	: Friday, 7 August 2020
Time	: 10.30 a.m.
Broadcast Venue	: Tricor Business Centre, Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

### MODE OF MEETING

- As part of the initiatives to curb the spread of Coronavirus Disease 2019 (COVID-19), the Twenty-Third Annual General Meeting ("23<sup>rd</sup> AGM") of the Company will be conducted fully virtual through live streaming from the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 (revised on 11 June 2020).
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 23<sup>rd</sup> AGM in person at the Broadcast Venue on the day of the meeting.

### ANNUAL REPORT 2019 AND CIRCULAR TO SHAREHOLDERS

- The following documents are available on the Company's website at <http://www.warisantc.com.my> and Bursa Malaysia's website at <https://www.bursamalaysia.com>:
  - Annual Report 2019 ("AR 2019")
  - Circular to Shareholders ("Circular")
- If you need a copy of the printed AR 2019 and/or Circular, please fax or email your request to our Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at fax number and email addresses stated below. Alternatively, you may request online via Tricor's TIIH Online website at <https://tiih.online> by selecting "Request for Annual Report" under the "Investor Services".

### DOOR GIFT/FOOD VOUCHER

There will be **NO distribution** of door gifts or food vouchers to shareholders/proxies who participate in the 23<sup>rd</sup> AGM.

### REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

- Shareholders are advised to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 23<sup>rd</sup> AGM using RPV facilities provided by Tricor via its TIIH Online website at <https://tiih.online>.

## ADMINISTRATIVE NOTES

cont'd

2. Shareholders who appoint proxies to participate via RPV facilities in the 23<sup>rd</sup> AGM must ensure that the duly executed Forms of Proxy are deposited in hard copy to Tricor not later than **Wednesday, 5 August 2020 at 10.30 a.m.**
3. Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than **Wednesday, 5 August 2020 at 10.30 a.m.** to participate via RPV facilities in the 23<sup>rd</sup> AGM.
4. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than **Wednesday, 5 August 2020 at 10.30 a.m.** to participate via RPV facilities in the 23<sup>rd</sup> AGM.
5. A shareholder who has appointed a proxy or attorney or authorised representative to participate and vote at the 23<sup>rd</sup> AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV facilities at TIIH Online website at <https://tiih.online>.

### PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions to the Board in advance of the 23<sup>rd</sup> AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Wednesday, 5 August 2020 at 10.30 a.m.** The Board will endeavour to answer the questions received at the 23<sup>rd</sup> AGM.

### PROCEDURES FOR RPV FACILITIES

Please read and follow the procedures and actions below to participate and vote at the 23<sup>rd</sup> AGM remotely using the RPV facilities:

	Procedure	Action
<b>BEFORE THE 23<sup>RD</sup> AGM DAY</b>		
(a)	<b>Register as a user with TIIH Online</b>	<ul style="list-style-type: none"> <li>• Access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance.</li> <li>• If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.</li> </ul>
(b)	<b>Submit your registration for RPV facilities</b>	<ul style="list-style-type: none"> <li>• <b>Registration is open from 10.30 a.m. Tuesday, 23 June 2020 up to 10.30 a.m. Wednesday, 5 August 2020.</b></li> <li>• Login with your user ID and password and select the corporate event: "(REGISTRATION) WARISAN TC 23<sup>RD</sup> AGM".</li> <li>• Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>• Select "Register for Remote Participation and Voting".</li> <li>• Review your registration and proceed to register.</li> <li>• System will send an e-mail to notify that your registration for remote participation is received and will be verified.</li> <li>• After verification of your registration against the General Meeting Record of Depositors as at <b>30 July 2020</b>, the system will send you an e-mail to approve or reject your registration for remote participation.</li> </ul>

## ADMINISTRATIVE NOTES

cont'd

	Procedure	Action
<b>ON THE DAY OF THE 23<sup>RD</sup> AGM</b>		
(c)	<b>Login to TIIH Online</b>	<ul style="list-style-type: none"> <li>Login with your user ID and password for remote participation at the 23<sup>rd</sup> AGM at any time from <b>10.00 a.m.</b> i.e. 30 minutes before the commencement of the 23<sup>rd</sup> AGM on <b>Friday, 7 August 2020 at 10.30 a.m.</b></li> </ul>
(d)	<b>Participate through Live Streaming</b>	<ul style="list-style-type: none"> <li>Select the corporate event: <b>“(LIVE STREAM MEETING) WARISAN TC 23<sup>RD</sup> AGM”</b> to engage in the proceedings of the 23<sup>rd</sup> AGM remotely.</li> <li>If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will endeavour to respond to the questions submitted by remote participants during the 23<sup>rd</sup> AGM.</li> <li>The quality of your connection to the live streaming is dependent on the bandwidth and stability of the internet connection at your location and the device you are using.</li> <li>In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, please call Tricor Help Line at <b>011-40805616 / 011-40803168 / 011-40803169 / 011-40803170</b> for assistance or e-mail to <a href="mailto:tiih.online@my.tricorglobal.com">tiih.online@my.tricorglobal.com</a> for assistance.</li> </ul>
(e)	<b>Online Remote Voting</b>	<ul style="list-style-type: none"> <li>Voting session commences from <b>10.30 a.m. on Friday, 7 August 2020</b> until a time when the Chairman announces the completion of the voting session of the 23<sup>rd</sup> AGM.</li> <li>Select the corporate event: <b>“(REMOTE VOTING) WARISAN TC 23<sup>RD</sup> AGM”</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
(f)	<b>End of remote participation</b>	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the 23<sup>rd</sup> AGM, the live streaming will end.</li> </ul>

### APPOINTMENT OF PROXY

- The 23<sup>rd</sup> AGM will be conducted on a fully virtual basis, if you are unable to attend the meeting via RPV facilities on 7 August 2020, you may appoint the Chairman of the meeting as your proxy and indicate your voting instructions in the Form of Proxy.
- You may submit your Form of Proxy to the Company at the office of the Company's Share Registrar, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: 03-2783 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, not less than forty-eight (48) hours before the time appointed for the 23<sup>rd</sup> AGM or no later than **5 August 2020 at 10.30 a.m.**

# ADMINISTRATIVE NOTES

cont'd

## POLL VOTING

1. The voting at the 23<sup>rd</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting) and Asia Securities Sdn. Berhad as Scrutineers to verify the poll results.
2. Shareholders/proxies/corporate representatives can proceed to vote remotely on the resolutions at any time from the commencement of the 23<sup>rd</sup> AGM at 10.30 a.m. on 7 August 2020 but before the end of the voting session which will be announced by the Chairman of the meeting. Please refer to the “**Procedures for RPV facilities**” above for guidance on how to vote remotely from TIIH Online website at <https://tiih.online>.
3. Upon completion of the voting session for the 23<sup>rd</sup> AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

## ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

### Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299  
Fax No. : +603-2783 9222  
Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)  
Contact Persons : Ms. Lim Lay Kiow ([lay.kiow.lim@my.tricorglobal.com](mailto:lay.kiow.lim@my.tricorglobal.com))  
Puan Siti Zalina Osmin ([siti.zalina@my.tricorglobal.com](mailto:siti.zalina@my.tricorglobal.com))

This page has been intentionally left blank.

**WARISAN TC HOLDINGS BERHAD**[Registration No.: 199701009338 (424834-W)]  
(Incorporated in Malaysia)**FORM OF PROXY**

CDS Account No.

I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_  
(name of shareholder, in capital letters)of \_\_\_\_\_  
(full address)

Email Address \_\_\_\_\_ Mobile Phone No. \_\_\_\_\_

being a member(s) of WARISAN TC HOLDINGS BERHAD, hereby appoint \_\_\_\_\_  
(name of proxy as per NRIC, in capital letters)NRIC No. \_\_\_\_\_ of \_\_\_\_\_  
(full address)

Email Address \_\_\_\_\_ Mobile Phone No. \_\_\_\_\_

and \_\_\_\_\_ NRIC No. \_\_\_\_\_  
(name of proxy as per NRIC, in capital letters)of \_\_\_\_\_  
(full address)

Email Address \_\_\_\_\_ Mobile Phone No. \_\_\_\_\_ or failing him/her,

the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held fully virtual at the broadcast venue at Tricor Business Centre, Manuka 2 &amp; 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 7 August 2020 at 10:30 a.m., and at any adjournment thereof, as indicated below:

		For	Against
Ordinary Resolution 1	Re-election of Mr Tan Keng Meng		
Ordinary Resolution 2	Re-election of Dato' Chong Kwong Chin		
Ordinary Resolution 3	Directors' Fees		
Ordinary Resolution 4	Directors' Benefits		
Ordinary Resolution 5	Re-appointment of Mazars PLT as Auditors		
Ordinary Resolution 6	Continuing in office as Independent Non-Executive Director for Dato' Chong Kwong Chin		
Ordinary Resolution 7	Continuing in office as Independent Non-Executive Director for Datuk Abdullah bin Abdul Wahab		
Ordinary Resolution 8	Proposed Renewal of Authority for the Company to purchase its own shares		
Ordinary Resolution 9	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad and its subsidiaries		
Ordinary Resolution 10	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad and its subsidiaries		

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

\_\_\_\_\_  
Signature/Common Seal

Number of shares held : \_\_\_\_\_

Date : \_\_\_\_\_

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

	No. of shares	Percentage
Proxy 1	_____	_____ %
Proxy 2	_____	_____ %

**Notes:**

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the Twenty-Third Annual General Meeting ("23<sup>rd</sup> AGM") of the Company will be conducted fully virtual through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tih.online>. Please follow the procedures provided in the Administrative Notes for the 23<sup>rd</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the 23<sup>rd</sup> AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 23<sup>rd</sup> AGM is to inform shareholders where the electronic 23<sup>rd</sup> AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be allowed to physically present at the meeting venue.
3. A depositor whose name appears in Record of Depositors of the Company as at 30 July 2020 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak and vote at the 23<sup>rd</sup> AGM via RPV facilities.
4. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting via RPV facilities. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 23<sup>rd</sup> AGM of the Company.
5. Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
6. Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
  - (i) the securities account number;
  - (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
  - (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

Fold here

---

Affix  
Stamp  
here

Tricor Investor & Issuing House Services Sdn Bhd  
[Registration No.: 197101000970 (11324-H)]  
Registrar for **WARISAN TC HOLDINGS BERHAD**  
[Registration No.: 199701009338 (424834-W)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

Fold here

---

8. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
10. 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 23<sup>rd</sup> AGM.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of Annual General Meeting will be put to vote by poll.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Twenty-Third Annual General Meeting of the Company ("23<sup>rd</sup> 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 23<sup>rd</sup> AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 23<sup>rd</sup> 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](http://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

cont'd

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](mailto: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  
23 June 2020

## 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](http://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

cont'd

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 : Cik Lim Lay Kiow, Pengurus Kanan  
No. Tel : +603-2783 9299  
No. Fax : +603-2783 9222  
Emel : [lay.kiow.lim@my.tricorglobal.com](mailto: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  
23 Jun 2020

