



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

# GROWTH WITH SUSTAINABILITY



ANNUAL REPORT 2022

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### DATO' TAN HENG CHEW

*President*

#### TAN KENG MENG

*Chief Executive Officer*

#### CHIN YEN SONG

*Executive Director*

#### DATUK ABDULLAH BIN ABDUL WAHAB

*Senior Independent*

*Non-Executive Director*

#### SOH ENG HOOI

*Independent*

*Non-Executive Director*

#### LEE MIN ON

*Independent*

*Non-Executive Director*

#### DATO' YUNUS BIN ABD RAZAK

*Independent*

*Non-Executive Director*

### BOARD COMMITTEES

#### AUDIT COMMITTEE

*Chairwoman*

**Soh Eng Hooi**

*Members*

**Datuk Abdullah bin Abdul Wahab**

**Lee Min On**

**Dato' Yunus bin Abd Razak**

#### NOMINATING AND REMUNERATION COMMITTEE

*Chairman*

**Datuk Abdullah bin Abdul Wahab**

*Members*

**Soh Eng Hooi**

**Lee Min On**

**Dato' Yunus bin Abd Razak**

### COMPANY SECRETARIES

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

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

### REGISTERED OFFICE

62-68, Jalan Sultan Azlan Shah  
51200 Kuala Lumpur  
Malaysia  
Tel No. : +603 4047 8888  
Fax No. : +603 4047 8636

### CORPORATE OFFICE

No. 15-3, Tingkat 3  
Jalan Ipoh Kecil  
50350 Kuala Lumpur  
Malaysia  
Tel No. : +603 4047 9733  
Fax No. : +603 4047 9722  
Email : corporate@warisantc.com

### CORPORATE WEBSITE

www.warisantc.com.my

### SHARE REGISTRAR

Tricor Investor & Issuing House  
Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia  
Tel No. : +603 2783 9299  
Fax No. : +603 2783 9222  
Email :  
is.enquiry@my.tricorglobal.com

### AUDITORS

Mazars PLT  
Wisma Golden Eagle Realty  
11<sup>th</sup> Floor, South Block  
142-A, Jalan Ampang  
50450 Kuala Lumpur  
Malaysia

### STOCK EXCHANGE LISTING

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

## BUSINESS DIVISIONS



1

### 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



2

### AUTOMOTIVE

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



3

### 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



4

### OTHERS

- Property investment
- Consumers products as in cosmetics & ladies under-garments

# CORPORATE STRUCTURE

AS AT 5 APRIL 2023



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

## TRAVEL & CAR RENTAL

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

## AUTOMOTIVE

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

## MACHINERY

100%	TCIM Sdn Bhd	100%	Jentrakel Sdn Bhd
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## OTHERS

100%	Warisan Captive Incorporated	100%	Warisan TC Automotive Manufacturers (M) Sdn Bhd
100%	Tan Chong Apparels Manufacturer Sdn Bhd	75.5%	Comit Communication Technologies (M) Sdn Bhd
100%	MUV Solutions Sdn Bhd	50%	Shiseido Malaysia Sdn Bhd
100%	Warisan TC Management Services Sdn Bhd	50%	Wacoal Malaysia Sdn Bhd

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

# PRESIDENT'S STATEMENT

“

**Dear Shareholders,**

**On behalf of the Board, I am pleased to present the Annual Report of Warisan TC Holdings Berhad for the financial year ended 31 December 2022.**

”

Year 2022 marks the tail end of the COVID-19 pandemic with full removal of movement restrictions and gradual recovery of the global economic activities. While the societies and economies globally are recovering from the protracted impact of the COVID-19 pandemic, new uncertainties and/or challenges have emerged, stemming from extensive supply chain disruptions from the Russia-Ukraine conflict, which further led to volatility in exchange rates and escalation in global inflation. This has quickened the pace of the nations across the globe to tighten their monetary policies in order to curb the rapid rise in inflation, which further dampens the uptick of economic activity.

Due to the volatile landscape, the Malaysian Government accelerated the execution of various strategies and/or measures; including expediting business recovery, providing conducive business environment, facilitating trade and investment, improving labour market conditions, safeguarding households' livelihood and inculcating sustainability principles throughout the whole spectrum of the economy. Full reopening of borders in April 2022 further catalyzed the recovery pace. Results were seen as the economic recovery gained momentum with overall growth in gross domestic product of 8.7% recorded for the year 2022.

Given the uncertainty in the global sentiment, Warisan TC Holdings Berhad ("WTCH" or "Company") and its subsidiaries ("WTCH Group" or "Group") continues to embrace extensive efforts to manage these implications with the aim of establishing operational stability as best as we can, to continue serving our customers. The Group undertakes various actions and measures to address the changing business and economic situation, which include prudent cost management and cost reduction measures. In some business units, the Group reviewed, restructured and consolidated structure and processes of the businesses. Other areas of focus include right sizing the business staffing level and encouraging training and self-development among the staff in order to improve productivities and efficiencies. The Group will continue to embrace the importance of technologies and fast-track its digital transformation. Cash-flow management and cash collections remains a top priority to ensure sustainability of our businesses.

# PRESIDENT'S STATEMENT

cont'd

## FINANCIAL PERFORMANCE

Financial Year ("FY") 2022 is definitely a year of recovery and the Malaysian economy chalked impressive growth quarter after quarter; underpinned by continued expansion in domestic demand and sustained labour market recovery. The Travel and Car Rental Division as well as consumer products business, particularly, delivered commendable results. The Machinery Division reported similar results as 2021 despite higher revenue achieved, mainly due to higher cost of doing business which resulted from the impact of disruption in supply chain and the volatile fluctuation of our currencies. Likewise, the performance of the Automotive Division was below our expectation attributable to higher cost of doing business and lack of marketing activities as full withdrawal of movement control orders was only effective towards end of second quarter 2022.

The Group posted an increase of 33% in revenue from RM361.9 million in FY2021 to RM480.4 million in the current year with loss before tax significantly dropping from RM27.5 million, a year ago, to RM11.4 million.

The Group's financial position remained healthy with shareholders' funds at RM234.1 million (2021: RM242.2 million) and cash and bank balances of RM43.9 million (2021: RM47.6 million) as at 31 December 2022. The net gearing ratio of the Group, however, increased from 0.51 times of shareholders' funds as at last financial year to 0.66 times; mainly due to utilization of the bank facilities as working capital; partly for setting up the facilities for the production of newly launched JMC YUHU pick-up vehicle and to accommodate the increased volume of the travel business.

## DIVIDENDS

As the global environment remains clouded by the uncertainties stemming from prolonged geopolitical tensions, tighter monetary policies by nations across the globe and risk of economic contraction loom, the Board did not recommend any declaration of dividends for FY2022 (2021: Nil). At this juncture, the Board sees the necessity to conserve cash to ensure sustainability of the business and in anticipation on the commencement of production of GAC vehicles scheduled in year 2024.

## OUTLOOK

With tapering of COVID-19 cases and the Government's effort to revitalize the Malaysian economy, our nation experienced solid recovery firmly, supported by the full removal of movement controls, resumption of economic activities, and improvement in the retail market conditions and consumer sentiments. Malaysia is projecting economic growth of between 4% to 5% for year 2023 with the latest revised projection of 4.5% during the retabling of Budget 2023; driven mainly by continued expansion in employment, implementation of large infrastructure projects and higher tourism activity. However, the growth remains susceptible to risks arising primarily from external factors such as prolonged geopolitical unrest, weaker than expected global growth, worsening supply chain disruption and rapid rise in cost of living and inflation.

The Group recognizes the challenges and uncertainties ahead and will remain prudent in its management. The Group needs to be alert and responsive to changes in business conditions and constantly chart out various strategies in managing and diversifying the businesses. Focus on efforts to increase revenue and market presence, increase productivity and efficiency, and steadfastly maintaining cost control, are key drivers to counter any further negative impact that may arise in the coming years. We will continue our efforts to prepare and realign the Group for the challenges ahead, and I believe, with the strong foundation that we have laid over the years, and under the capable leadership of our management, the Group will navigate and weather the challenges in 2023.

## 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.

I would also like to take this opportunity to welcome Dato' Yunus bin Abd Razak to the Board of Warisan TC Holdings Berhad and meanwhile on behalf of the Board, I would like to extend my heartfelt appreciation to Mr. Chin Ten Hoy who retired as a director during the financial year.

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

Thank you.

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

5 April 2023

## MANAGEMENT DISCUSSION AND ANALYSIS

### 2022 HIGHLIGHTS OF EVENTS

The following are the key highlights of events that the Group rolled out during the year 2022:

#### January/February 2022

TCIM Sdn Bhd rolled out the delivery of a fleet of 60 units of the Tonly Offroad dump trucks (TLM855 – 40 tons) for its major customer - GE Mining Sdn Bhd in Kuantan.



#### June 2022

In June 2022, Angka-Tan Motor Sdn Bhd, the sole distributor of Foton Light Commercial Vehicles ("LCV") and Foton Auman in Malaysia, introduced the all-new Foton Aumark S City Flyer 4-Wheeler BJ1065 light-duty trucks to complement its range of BJ1078 and BJ1088 (6 wheeler LCV) to meet the demand of customers' requirement for LCV logistics usage in the country. The Foton Aumark S City Flyer, featuring light and flexible body of the vehicle, allows fleet owners to achieve high productivity and efficiency in their business operations, especially in the last mile delivery.



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### August 2022

Following the launching of GoEV programme in late 2021, Gocar Mobility Sdn Bhd ("GoCar") has in August 2022 inked a memorandum of understanding with Green EV Charge Sdn Bhd, ("GreenEV") a joint venture unit of Yinson Holdings Berhad where GreenEV will provide charging infrastructure facilities and solutions to GoCar users through the chargeEV mobile app.



### September 2022

On 13 September 2022, Mayflower Holidays Sdn Bhd was awarded the Certificate of Appreciation by tbo.com Travel Simplified, for its extraordinary contributions as a Key Partner.



### December 2022

On 8 December 2022, the GAC GS3 Premium was accorded the Bronze Award for B-segment SUVs at the People's Choice Awards - Car of the Year ("PCACOTY") 2022. Hosted by Carlist.my, Malaysia's No.1 new and used car site, the PCACOTY is one of Malaysia's most prestigious and longest-running annual car awards. It was launched in 2017 to recognise the best car brands in the Malaysian automotive industry and covers various categories from entry-level models to premium full-sized SUVs.

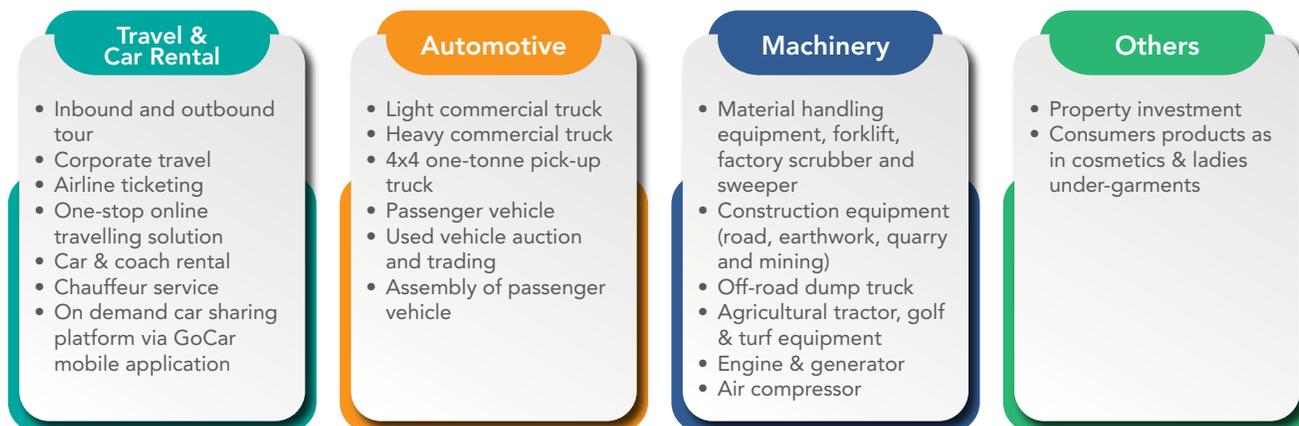


# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

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



The Group's objectives are to deliver consistent growth to our shareholders and stakeholders by adopting an active pursuit of new innovative business ideas, while striving for excellence in its core businesses, ensuring unmatched products and service quality to our valued customers. These growth objectives are now being underpinned by a strong focus on sustainability.

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 are among the key drivers to achieving Group's objectives.

## OVERVIEW

Two years after the COVID-19 pandemic swept through the world, Malaysians gradually returned to near normal life and economic activities resumed and recovered to their near pre-pandemic level. While the global economy was dealing with a fragile recovery, the Russia-Ukraine war erupted in early 2022, posing new threat and risk that dampened the global recovery pace; subsequently triggering global inflationary pressures, volatility in the foreign currency rates, supply chain disruption and the tightening of monetary policies by most nations.

On the domestic front, the pace of recovery gained momentum, with growth of 14.2% and 7% recorded in Quarters 3 and 4 2022 respectively. Overall, the Malaysian economy achieved growth of 8.7% as against 3.1% in the previous year; underpinned by the continued expansion in domestic demand and supported by the various measures and initiatives by the Government. (Source: Bank Negara Malaysia)

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## GROUP FINANCIALS FOR 2022



In line with the rebound in economic activities, the Group recorded an increase of approximately 33% in revenue from RM361.9 million in last year to RM480.4 million, with the Machinery Division and Automotive Division contributing a combined 81% of total revenue. The Group, however, still recorded a loss before tax of RM11.4 million; albeit substantially lower against the RM27.5 million loss in 2021, largely arising from the improved performance of the Travel and Car Rental Division. Likewise, the joint venture entities, which are engaged in the retail business, experienced improved demand for their products and contributed positively to the Group as opposed to losses in the prior year.

The financial position of the Group remained healthy with shareholders' funds at RM234.1 million (2021: RM242.2 million) and cash and bank balances of RM43.9 million (2021: RM47.6 million). However, the Group saw its net gearing ratio increased from 0.51 times of shareholders' funds as at 31 December 2021 to 0.66; in line with the increased financing for the start-up of a project involving the assembly and distribution of the JMC pick-up truck which was officially launched in October 2021. The increase in the financing utilisation was also to accommodate the surge in volume of transactions of the travel business following the opening of borders.

Overall, the net cash outflow in cash and cash equivalents of the Group reduced from RM36.1 million in prior year to RM15.2 million. Despite having net cash outflow for two consecutive years, the Group does not anticipate difficulty meeting its commitment due to the availability of unutilised financing facilities of approximately RM121.0 million.

Under the operating activities, a total sum of RM27.6 million (2021: RM23.9 million) was utilised to acquire assets which are held for rental whilst proceeds from disposal of assets held for rental dwindled from RM26.3 million in 2021 to RM15.5 million. Lesser assets held for rental were available for disposal in the current year consequent to the restructuring and right sizing exercise undertaken on the assets in 2021.

## SEGMENT RESULTS AND ANALYSIS

### Travel & Car Rental

With most countries reopening their borders; signaling encouraging prospects of accelerated economic recovery, International Air Transport Association ("IATA") reported an uptick in the global air passenger traffic which indicated overall recovery of 68.5% of pre-covid 2019 volume in 2022.

In line with this improved demand, the Division recorded an increase in its revenue from RM52.2 million in 2021 to RM83.5 million; and accordingly helped to boost its bottom line with a higher segmental profit of RM22.6 million compared to RM11.4 million in 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd



Mayflower Travel provides a range of travel and tours services, which include inbound, outbound, corporate incentive tours, medical tourism, education tourism and air ticketing services with offices in Malaysia, Cambodia, Thailand and Taiwan, with Taiwan being the latest addition which commenced operations in June 2022 in Taipei. In line with the market demand and its efforts to enhance efficiencies, Mayflower Travel continued to leverage its technology adoption and enhancement via its Mayflower Online Platform, providing customers the option to perform online transactions. The Mayflower Online Platform is also able to integrate with other content providers with a broader spectrum of offerings, like hotel rooms, tour activities and car rental, etc.

Mayflower Car Rental provides car leasing and rental, coach and chauffeur services in Malaysia and Myanmar. Mayflower Car Rental, which presently focuses on its core strategy of corporate leasing, has a fleet size of approximately 1,700 units.

The outlook in Myanmar remains chaotic since 2021 with significant constraints under the current Military Government. Our car rental business in Myanmar, vide MAT Transportation Solution (Myanmar) Company Limited ("MATTs"), remains intact as the Company focuses on corporate leasing. MATTs managed to generate marginal profit before tax of about RM209,000, comparable to that of last year.

### TRAVEL AND CAR RENTAL DIVISION



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").

Gocar Mobility Sdn Bhd ("GoCar"), which is Mayflower Car Rental Sdn Bhd's 99.64% owned subsidiary and is one of the pioneers in revolutionising the car-sharing platform. Apart from optimising its fleet size, and improving on its utilisation rate, GoCar is also refreshing its fleet of vehicles with various models to cater to different market demands, including its latest addition of a fleet of electric vehicles; enhancing its adoption of Environment, Social and Governance perspective in businesses. Following the launching of GoEV programme, GoCar has in August 2022, inked a memorandum of understanding with GreenEV, a joint venture unit of Yinson Holdings Berhad, where GreenEV will provide charging infrastructure facilities and solutions to GoCar users through the chargeEV mobile app. During the year, GoCar has also rolled out the GoCar Garage programme, a digital platform which provides a simple transparent and cost efficient way for car servicing, along with the services of pick-up and delivery. Through these initiatives, GoCar managed to curb its losses despite facing stiff competition from its competitors. GoCar reported marginally lower loss before tax compared to last year.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### Automotive

There are 3 active companies operating under the Division, namely:

- Angka-Tan Motor Sdn Bhd ("ATM");
- MUV Marketplace Sdn Bhd ("MUVM"); and
- WTC Automotif (M) Sdn Bhd ("WTCA").

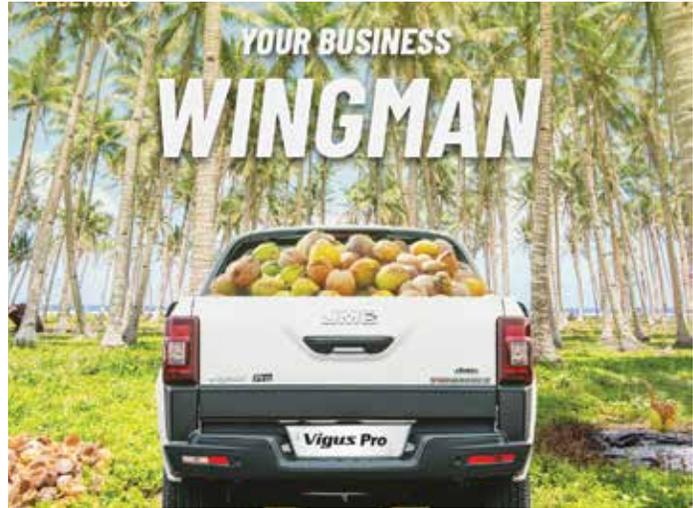
ATM is the sole distributor of Foton Brand Chinese Light Commercial Vehicles and Heavy Commercial Vehicles. In late 2021, ATM introduced a new JMC 4x4 one-tonne pick-up truck known as JMC Vigus Pro.

MUVM provides online vehicle auction services in addition to trading of second hand and pre-owned vehicles.

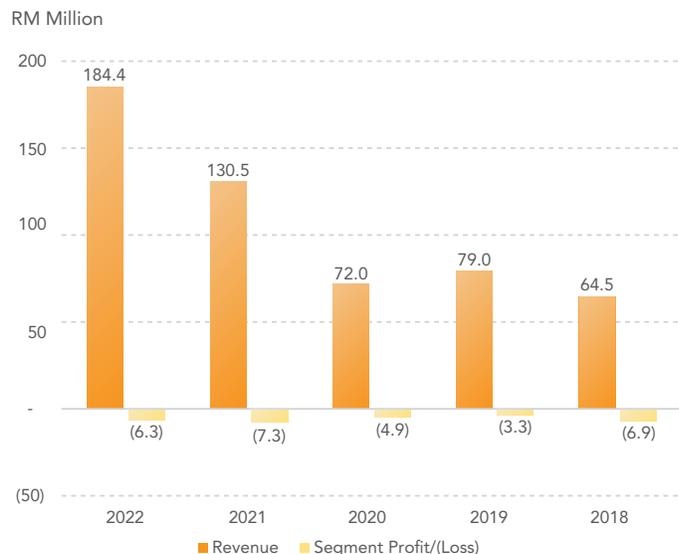
WTCA is the sole and exclusive distributor to import, assemble, distribute and perform after-sale services for GAC vehicles and/or spare parts and accessories for vehicles in Malaysia. The first model, GAC GS3 was officially launched in December 2021.

The Division recorded higher segmental revenue of RM184.4 million, up from RM130.5 million recorded in the previous year, due to improved conversion of various pending orders previously secured, as well as additional business from JMC Vigus Pro. MUVM also made changes to its recognition of sales which took effect from end quarter 2, 2021. However, the Division segmental loss was only marginally lower at RM6.3 million compared to RM7.3 million in prior year. The main contributor to the segmental loss was MUVM, whose business was hit hard by the movements lockdown which was only lifted in April 2022 and the intense competition from other players. MUVM took drastic action in the second half of the year to mitigate the impact arising therefrom and successfully lowered its losses marginally compared to the prior year.

ATM and WTCA businesses were affected by the similar movement lockdown mentioned above which were only lifted in the second quarter of the year, limiting their marketing activities in promoting and creating awareness of their newly launched vehicles. In addition, currency fluctuation and drastic increase in logistics cost resulted in increased product cost. The start-up cost incurred during the year for the production of JMC Vigus Pro aggravated the performance of the Division. Consequent to these factors, both companies reported losses.



### AUTOMOTIVE DIVISION



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

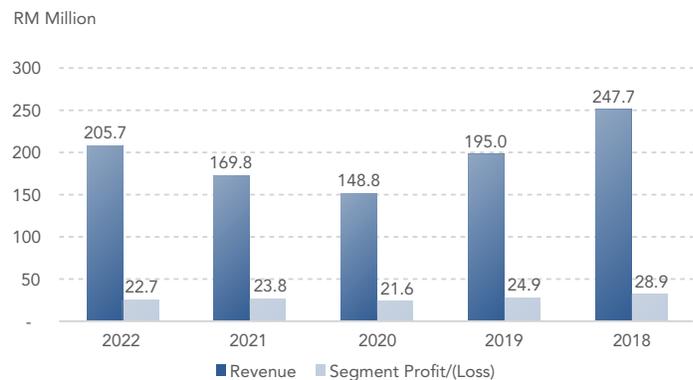


## Machinery

This Division distributes a wide range of equipment and machinery, including 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 Division recorded an increase in revenue from RM169.8 million to RM205.7 million in 2022. Nevertheless, its segmental profit was marginally lower at RM22.7 million compared to RM23.8 million, a year ago, attributed to higher cost of doing business with increase in product cost, foreign exchange volatility and escalation in the freight and logistics cost.

## MACHINERY DIVISION



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

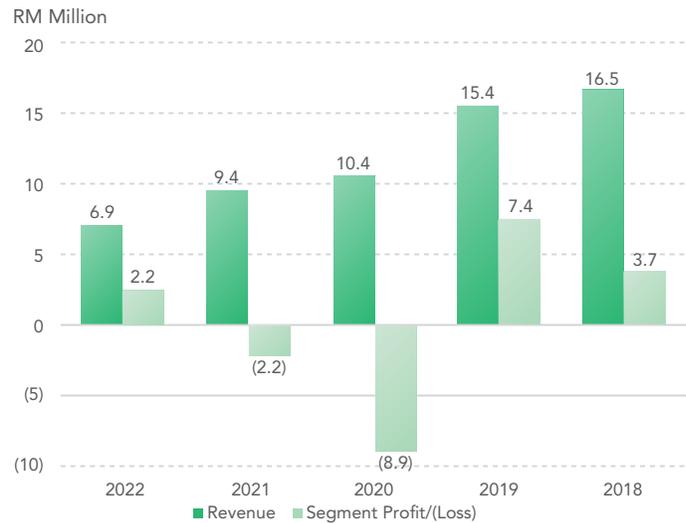


### Others

Other businesses include captive insurance services, consumer products and property investments.

The lifting of movement control orders and re-opening of economic sectors bode well with the consumer products business. For the financial year ended 31 December 2022, the joint venture companies, namely Wacoal Malaysia Sdn Bhd and Shiseido Malaysia Sdn Bhd contributed total profit after tax of RM4.5 million as opposed to loss after tax of RM3.7 million in the preceding year.

### OTHERS



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## OUTLOOK AND PROSPECTS

Going into 2023, the rise in global inflation and interest rates, the uncertainty amid the Russia-Ukraine conflict and other geopolitical tensions continue to pose serious concerns to global recovery momentum. The latest bank failures in the West may fuel further pressure; potentially leading to the risk of economic contraction.

Given the more challenging operating landscape domestically, Budget 2023, which was re-tabled in February 2023 by the Malaysian Government, aimed to prioritise reform initiatives to improve the well-being of the people, strengthen business resilience, promote economic prosperity and enhance public service delivery in order to sustain the economic growth momentum. Bank Negara Malaysia ("BNM"), which projected a gross domestic product growth of 4.5% to 5% in year 2023, asserted that going forward, Malaysia's economic growth would be supported by continued expansion in domestic demand. The economy would benefit from improvement in labour market conditions, realisation and acceleration of mega projects and higher inbound tourism activity. (Source: *Bank Negara Report for Q4 2022*)

The Group recognises the risks associated with the challenges mentioned above and will continue to monitor the geopolitical situation and the country's economic activities. The Group remains vigilant in its operation by focusing on its strategies to enhance operational efficiency and will implement measures to minimise and/or mitigate any impact arising therefrom to the business of the Group. These include containing costs, preserving profitability and safeguarding our balance sheet strength and prudent management of cash flow in order to stand resilient against the upcoming risks and challenges. The Group remains steadfast in its continued efforts to grow its top and bottom lines whilst boosting resilience in its business and operation.

## DIVIDEND POLICY

The Group does not intend to establish a fixed dividend policy due to the Group's nature of relying on identifying and nurturing new business prospects to supplement our existing business. Hence, the quantum of our dividend pay-out, if any, will be determined by the cash flow requirements and business expansion plan on a yearly basis.

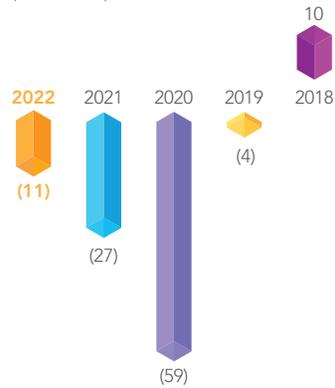
Despite a fairly positive outlook, we remain cognisant of the headwinds in the economic and financial climate arising from potential rising input cost in materials, wages and utilities as well as fluctuation in the foreign currency exchange rates. Premised on the above, the Board has not recommended any dividend for the financial year ended 31 December 2022 (2021: Nil).

## FINANCIAL CHARTS

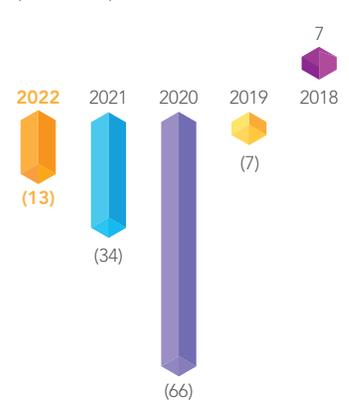
**REVENUE**  
(RM Million)



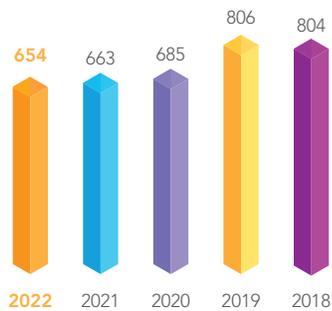
**(LOSS)/PROFIT BEFORE TAX**  
(RM Million)



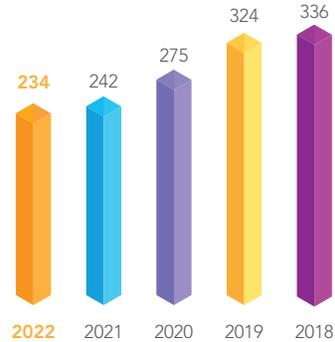
**(LOSS)/PROFIT AFTER TAX**  
(RM Million)



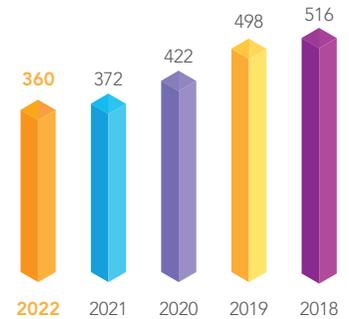
**TOTAL ASSETS**  
(RM Million)



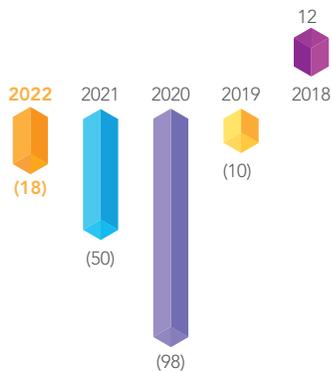
**SHAREHOLDERS' FUND**  
(RM Million)



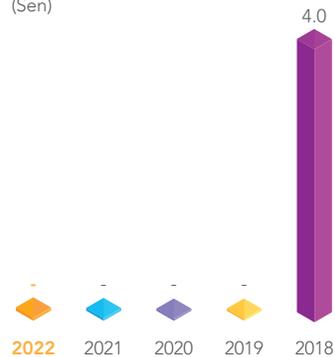
**NET ASSETS PER SHARE**  
(Sen)



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



**NET DIVIDEND PER SHARE**  
(Sen)



## 5-YEAR FINANCIAL HIGHLIGHTS

	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000
<b>RESULTS</b>					
Revenue	480,424	361,965	295,278	439,829	496,950
(Loss)/Profit before tax	(11,394)	(27,471)	(58,876)	(4,291)	9,584
Taxation	(1,116)	(6,232)	(6,681)	(3,112)	(2,554)
(Loss)/Profit after tax	(12,510)	(33,703)	(65,557)	(7,403)	7,030
Attributable to:					
Shareholders of the Company	(11,535)	(32,445)	(63,781)	(6,789)	7,488
Non-controlling interests	(975)	(1,258)	(1,776)	(614)	(458)
<b>FINANCIAL POSITION</b>					
<b>Assets</b>					
Property, plant and equipment	187,160	194,196	227,122	256,653	277,422
Right-of-use assets	26,230	24,210	25,480	20,871	-
Investment property	43,500	43,500	43,500	45,400	45,400
Investment in an associate	570	497	815	1,299	1,069
Investments accounted for using the equity method	34,748	30,760	35,078	42,129	37,348
Other investments	456	186	6	6	6
Finance lease receivables	663	2,669	2,923	2,494	4,343
Deferred tax assets	5,216	6,098	6,195	3,535	2,575
Intangible assets	10,867	10,715	12,232	12,577	12,520
Total non-current assets	309,410	312,831	353,351	384,964	380,683
Current assets	344,862	350,315	331,886	421,132	423,349
<b>Total Assets</b>	<b>654,272</b>	<b>663,146</b>	<b>685,237</b>	<b>806,096</b>	<b>804,032</b>
<b>Equity</b>					
Share capital	67,200	67,200	67,200	67,200	67,200
Reserves	171,129	179,196	211,537	261,022	272,642
Treasury share	(4,213)	(4,213)	(4,213)	(4,213)	(4,213)
Total equity attributable to owners of the Company	234,116	242,183	274,524	324,009	335,629
Non-controlling interests	22,118	23,093	24,379	11,155	11,269
<b>Total equity</b>	<b>256,234</b>	<b>265,276</b>	<b>298,903</b>	<b>335,164</b>	<b>346,898</b>
Non-current liabilities	29,916	33,786	36,913	37,024	33,928
Current liabilities	368,122	364,084	349,421	433,908	423,206
<b>Total Equity and Liabilities</b>	<b>654,272</b>	<b>663,146</b>	<b>685,237</b>	<b>806,096</b>	<b>804,032</b>
<b>FINANCIAL STATISTICS</b>					
Basic (loss)/earnings per share (sen)	-17.72	-49.84	-97.97	-10.43	11.50
Dividend per share (net of tax)(sen)	-	-	-	-	4.0
Net assets per share (sen)	360	372	422	498	516
Return on shareholders' equity (%)	-5.3%	-13.9%	-23.9%	-2.3%	2.1%
Net debt/Equity (%)	65.6%	51.4%	36.3%	50.9%	58.7%

## PROFILE OF DIRECTORS

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

President

Non-Independent Executive Director

Dato' Tan Heng Chew, aged 76, a Malaysian, male, was the first director of the Company when it was incorporated on 26 March 1997. He was appointed as the Chairman of the Board on 1 November 1999 and was re-designated as Executive Chairman on 1 January 2011. His corporate title was changed to President on 1 January 2015.

Dato' Tan graduated from the University of New South Wales, Australia with a Bachelor of Engineering (Honours) degree and a Masters degree in Engineering from the University of Newcastle, Australia. He joined the Tan Chong Motor Holdings Berhad Group of Companies in 1970 and was instrumental in the establishment of its Autoparts Division in the 1970s and early 1980s.

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

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

Dato' Tan attended all the seven (7) Board Meetings held in 2022.

### TAN KENG MENG

Chief Executive Officer

Non-Independent Executive Director

Mr. Tan Keng Meng, aged 64, 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 Chief Executive Officer/Director of Tasek Corporation Berhad, a public company listed on Bursa Malaysia Securities Berhad. He was previously Managing Director-Asia with Friction Material Pacific Group, a joint-venture company between Honeywell and Pacifica of Australia. Mr. Tan has extensive experience in a number of industries covering construction, automotive and automotive component manufacturing.

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

Mr. Tan attended all the seven (7) Board Meetings held in 2022.



## PROFILE OF DIRECTORS

cont'd

### CHIN YEN SONG

*Non-Independent Executive Director*

Ms. **Chin Yen Song**, aged 49, a Malaysian, female, was appointed to the Board on 25 November 2021 as an Executive Director. She joined the WTCH Group as Finance Manager in 2003 and was promoted to Deputy General Manager and General Manager in January 2011 and July 2015 respectively. In 2010, she was tasked to oversee the corporate travel business of Mayflower Corporate Travel Services Sdn Bhd assuming responsibilities of business development and retention, and to drive customer service excellence. Currently Ms. Chin is the Chief Executive Officer of Mayflower Group, taking charge of the entire travel and car rental business operation (locally and overseas).

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

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

Ms. Chin attended all the seven (7) Board Meetings held in 2022.

### DATUK ABDULLAH BIN ABDUL WAHAB, KMN, DPSJ, PJN

*Senior Independent Non-Executive Director*

**Datuk Abdullah bin Abdul Wahab**, aged 72, 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.

Datuk Abdullah attended all the seven (7) Board Meetings in 2022.



## PROFILE OF DIRECTORS

cont'd

### SOH ENG HOOI

*Independent Non-Executive Director*

**Ms. Soh Eng Hooi**, aged 53, a Malaysian, female, was appointed to the Board on 31 December 2020 as an Independent Non-Executive Director. She is the Chairwoman of the Audit Committee and a member of Nominating and Remuneration Committee.

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

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

Ms. Soh attended all the seven (7) Board Meetings in 2022.

### LEE MIN ON

*Independent Non-Executive Director*

**Mr. Lee Min On**, aged 63, a Malaysian, male, was appointed to the Board on 29 November 2016 as an Independent Non-Executive Director. He is a member of the Audit Committee and Nominating and Remuneration Committee.

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

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. He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia Securities Berhad in 2012. As a strong advocate of good governance and integrity in the market place, Mr. Lee speaks regularly at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Compliance.

Mr. Lee also serves as an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, APM Automotive Holdings Berhad, Kotra Industries Berhad and Lii Hen Industries Bhd. He is also a member of Audit and Risk Management Committee of MIA.

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

Mr. Lee attended six (6) out of seven (7) Board Meetings held in 2022.



## PROFILE OF DIRECTORS

cont'd

### DATO' YUNUS BIN ABD RAZAK, DSDK, P.GEOL

*Independent Non-Executive Director*

Dato' Yunus Bin Abd Razak, aged 67, a Malaysian, male, was appointed to the Board on 17 August 2022 as an Independent Non-Executive Director. He is a member of the Audit Committee and Nominating and Remuneration Committee.

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

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

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

Dato' Yunus attended three (3) out of three (3) Board Meetings held in 2022 subsequent to his appointment to the Board on 17 August 2022.

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

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

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



## PROFILE OF KEY SENIOR MANAGEMENT

Key Senior Management of WTCH Group comprises Dato' Tan Heng Chew – President, Mr. Tan Keng Meng – Chief Executive Officer and Ms. Chin Yen Song – Executive Director, whose profiles are included in the Profile of Directors on pages 18 to 19 in the Annual Report 2022, and the following senior management personnel:

### LEE KOON SENG

*Chief Financial Officer*

Mr. Lee Koon Seng, aged 55, a Malaysian, male, joined the WTCH Group on 2 December 2020 and was subsequently appointed as Chief Financial Officer of WTCH Group on 31 December 2020.

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

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

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

### NICHOLAS TAN CHYE SENG

*Director, MUV Marketplace/GoCar*

Mr. Nicholas Tan Chye Seng, aged 49, a Malaysian, male, was appointed as a Director of MUV Marketplace Sdn Bhd ("MUV Marketplace") on 16 October 2015. Mr. Nicholas Tan is the founder of "MUV", a pioneer of an Offline2Online marketplace for used vehicles with gross merchandise value of over a billion Ringgit Malaysia in transactions recorded since 2015. He also led the investment in "GoCar" Malaysia's first car sharing platform when Mayflower Car Rental Sdn Bhd, a subsidiary of WTCH acquired a controlling stake in 2016.

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

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

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

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

## PROFILE OF KEY SENIOR MANAGEMENT

cont'd

### TUNG SWEE HAR

*Deputy General Manager, Mayflower Travel*

Ms. Tung Swee Har, aged 64, a Malaysian, female, joined the WTCH Group in 2009 as a Senior Manager-Travel & Tours Division to develop the Wholesale Department and was promoted to Deputy General Manager on 1 January 2017. She is now the Business Head of Mayflower Travel, responsible to lead, manage and develop the overall performance of the business. She is also overseeing the travel business operations in Sabah and Taiwan.

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

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

### ABDUL RAHMAN BIN MOHAMED

*General Manager, Mayflower Car Rental*

Encik Abdul Rahman bin Mohamed, aged 55, a Malaysian, male, joined the WTCH Group in 2009 as Deputy General Manager, Channel Management and was promoted to General Manager in 2015. On 4 May 2020, he was seconded to Mayflower Car Rental Sdn Bhd as an Acting General Manager and appointed as General Manager of Mayflower Car Rental Sdn Bhd on 1 July 2022. Currently, he is responsible for managing the day-to-day operations of Mayflower Car Rental.

Encik Abdul Rahman is a graduate from University Technology MARA (UiTM) with a Bachelor of Science (BSc) in Business Administration. He has more than 20 years of working experience in travels and tourism industry.

### TS. LOW TECK KEONG

*Senior General Manager, Machinery Division*

Ts. Low Teck Keong, aged 46, a Malaysian, male, joined the WTCH Group on 1 April 2021 as Senior General Manager – Business Development of Machinery Division in charge of business development and transformation, MarCom and light machinery business. He was General Manager from MHE-Demag Malaysia, headed Demag Industrial Cranes & MHE Product Sales since 2015 in industrial and construction material handling engineering.

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

He has more than 20 years of working experience across various industrial segments covering from sales to technical support positions, system integration & IoT, project management, manufacturing automation, Industrial IT & automation system as well as start-up and managing businesses as Country Head.

## PROFILE OF KEY SENIOR MANAGEMENT

cont'd

### CHEW YOKE TONG

*Senior General Manager, Admin & Sales Operations, Automotive Division*

Chew Yoke Tong, aged 56, a Malaysian, male, joined the WTCH Group in 2011 as Deputy General Manager and was promoted to General Manager in August 2015 in charge of admin and sales operation in Angka-Tan Motor Sdn Bhd and Kereta Komersil Seladang (M) Sdn Bhd. On 1 January 2023, he was promoted to Senior General Manager, heading the Automotive Division.

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

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

### YAP KIAM BENG

*General Manager, Machinery Division & Automotive Division*

Mr. Yap Kiam Beng, aged 57, a Malaysian, male, joined the WTCH Group in 1 September 2013 as General Manager, Finance and Administration in charge of accounting and finance in the Travel and Car Rental Division. In May 2015, he was transferred to head the finance and administration of the Machinery Division. Currently, he also heads the spare part department in charge of machinery and equipment business of Machinery Division as well as oversees the finance function of the Automotive Division.

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

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

### LEE KING SOON

*General Manager, Light Machinery, Machinery Division*

Mr. Lee King Soon, aged 59, a Malaysian, male, joined the WTCH Group in 1997 as Senior Manager, Finance and Administration in charge of accounting, finance, IT, administration and human resources. He was promoted to Deputy General Manager in 2008 and subsequently promoted as General Manager on 1 July 2013. Subsequently, on 1 May 2015, he was transferred to head the sales, marketing and rental of light machinery business.

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

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

## PROFILE OF KEY SENIOR MANAGEMENT

cont'd

### BEH KOK ANG

*Senior Manager, Heavy Machinery, Machinery Division*

Mr. Beh Kok Ang, aged 42, a Malaysian, male, joined the WTCH Group in March 2012 as Engineer and was promoted to Senior Manager, Heavy Machinery, Machinery Division on 1 January 2019 taking charge of the sales and operation of Heavy Machinery business primarily for the imported earthmoving and road construction equipment.

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

### NG KAR MEI

*Financial Controller, Mayflower Car Rental*

Ms. Ng Kar Mei, age 55, a Malaysian, female, joined the WTCH Group on 19 September 2022 as Financial Controller of Mayflower Car Rental Sdn Bhd. With 32 years of finance experience, Ms. Ng has held senior management positions in Niro Ceramic Group from 2013 for near a decade, and Tan Chong Motor Group and WTCH Group from 1999 for 14 years. These groups' industries cover building materials, automotive plants and distribution, consumers and others.

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

Ms. Ng has background in auditing with Ernst & Young (EY), and has experiences in technical accounting with Malaysian Institute of Accountants ("MIA"), TA Enterprise Berhad Group, and advising SMEs on value creation.

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

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

## REPORTING PERIOD

1 January 2022 to 31 December 2022

## REPORTING SCOPE

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

## GUIDELINES AND REFERENCES

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

## ACCESSIBILITY AND FEEDBACK

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

We welcome any feedback or suggestion about this Statement.

## REVIEW OF STATEMENT

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

## WHO WE ARE?

Warisan TC Holdings Berhad ("WTCH") was incorporated in Malaysia on 26 March 1997 and the Group, comprising WTCH and its subsidiaries, whose principal activities consist of business in the travel, car rental, automotive, machinery, consumer products and other services. The Group has extensive expertise and vast experience in these sectors, spanning 25 years, and this has enabled us to extend our reach to other countries, namely Myanmar, Cambodia, Thailand and Taiwan.

## OBJECTIVE

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

## BUSINESS CONTINUITY

To meet our business objectives following the aftermath of the Covid-19 pandemic, we have adopted a prudent strategy to rebuild capacity, enhance capabilities and focus on improving efficiencies, while remaining cautious against any emerging uncertainties, both at the local and global fronts.

# SUSTAINABILITY STATEMENT

cont'd

## THE GROUP'S SUSTAINABILITY JOURNEY



## VALUE CREATION

The Group acknowledges that the prioritisation of EESG factors is a key business driver to realise the following positive impacts in the long run:

### a) Economy

A sustainable and resilient business operating with positive brand reputation

Attract responsible and progressive investors who screen for EESG criteria; expand markets to meet consumer demand for circularity; form stronger relationships with stakeholders and gain customer loyalty leading to increased profitability and improved long-term financial performance through cost-saving low carbon footprint innovative solutions that also address the environmental and social challenges.

# SUSTAINABILITY STATEMENT

cont'd

## b) Environmental

### Sustainable business practices

Reduce impact on the environment; conserve natural resources; and promote long-term economic growth of the Group by adopting sustainable development best practices to increase efficiency and prolong lifecycles of products and services.

## c) Social

### A more sustainable and equitable future for all

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

## d) Governance

### Contribute to the development of a fair and just society

By adopting strong governance practices and ethical conduct, businesses can create trust with stakeholders; gain resilience to regulatory change; manage risks effectively and build a strong reputation.

## WHERE WE ARE?

- Rebuilding our workforce and operational capabilities following the aftermath of pandemic - gradually building capacity and growing resources to achieve our Vision and Mission.
- Understanding and adjusting to the key business growth drivers using EESG considerations and evaluating the effectiveness and impacts in value creation.



# SUSTAINABILITY STATEMENT

cont'd

## MESSAGE FROM GROUP CHIEF EXECUTIVE OFFICER

Dear Valued Stakeholders,

I am pleased to express our dedication to the pursuit of "Growth with Sustainability" alongside you. Our team is eager to share our enthusiasm for sustainable growth and demonstrate our unwavering commitment to this goal.

"Growth with Sustainability" is a concept where businesses can achieve growth with sustainability by implementing sustainable practices and minimising negative impacts on the environment and society. In today's rapidly evolving world, sustainability has become a vital aspect of business operations. We believe that economic growth and environmental sustainability can co-exist in a mutually supportive manner.

Sustainability is a critical aspect that we prioritise not only for ethical and compliance reasons but also for business reasons. We acknowledge that sustainable growth is vital for the long-term success and profitability of the Group. We are committed to implementing practices that will help us optimise costs, improve efficiency and create a positive reputation for the Group as a responsible and innovative organisation. Through our efforts, we aim to demonstrate our dedication to environmental stewardship, social responsibility and economic prosperity for all stakeholders.

While we recognise that the Group's sustainability invariably requires significant efforts and resources, we believe that it is essential for the long-term success of the Group. Accordingly, we will work closely with our stakeholders to understand their expectations and concerns and incorporate them into our business strategies.

It is our aspirations to CREATE a viable future. We will take concrete actions on the following focus areas to CREATE a sustainable future for all.

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

While we are still in the early stages of our sustainability journey, we are committed to making meaningful progress towards our sustainability goals. We have set targets and metrics to measure our progress and performance to ensure that we are accountable for our actions and transparent about our impact on the environment and society.

I am excited about the opportunities that lie ahead for the Group as we embark on our sustainability journey. I am confident that with your collective support and by working together, we can achieve "Growth with Sustainability".

Thank you for your attention and support, and we look forward to sharing more with you about our sustainability journey in the future.

# SUSTAINABILITY STATEMENT

cont'd

## WE BEGIN OUR SUSTAINABILITY JOURNEY WITH A MINDSET SHIFT

### WARISAN TC GUIDING PRINCIPLES:

Empowering a Future-Ready Culture and Embrace Forward Thinking Today

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

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

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

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

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

**I** is for Integrated-Thinking, where we adopt innovative and sustainable Business Models. Integrated-Thinking will be an important aspect of our business models, using a holistic approach that considers all aspects of the business and its impact on the environment and society.

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

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

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

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

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

# SUSTAINABILITY STATEMENT

cont'd

## SUSTAINABILITY GOVERNANCE

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

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

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

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

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

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

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

## GOVERNANCE REPORTING STRUCTURE



## MATERIALITY APPROACH

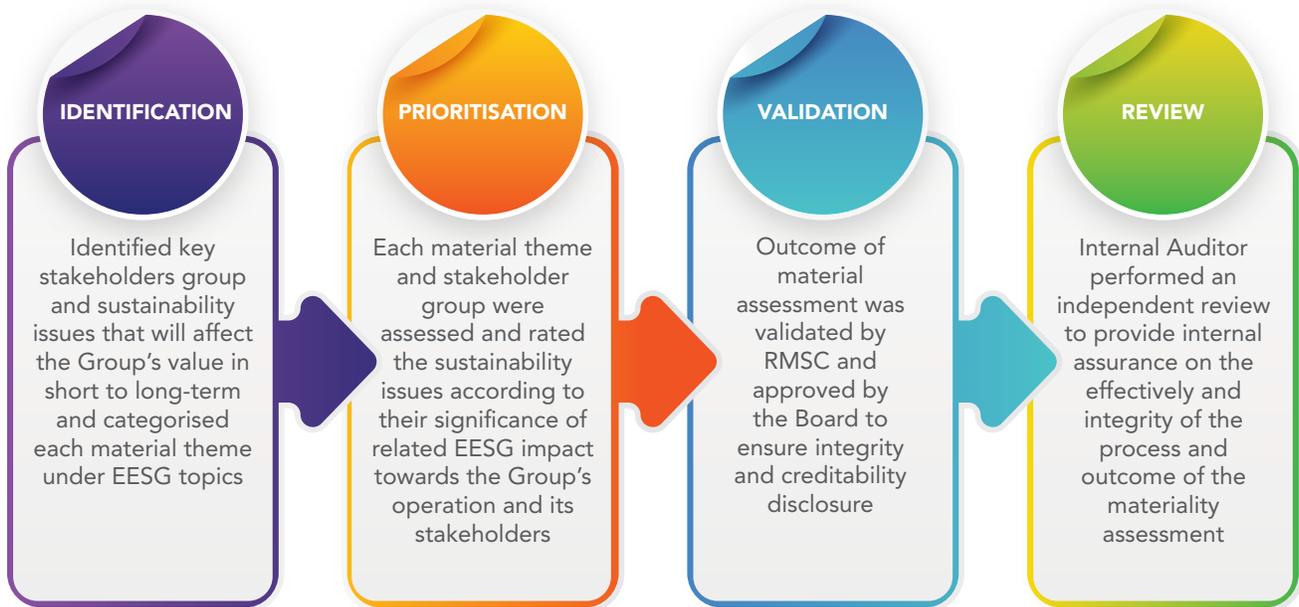
Our materiality approach is a fundamental aspect of our sustainability management process, as it enables us to align our strategies, performance management and reporting. The materiality assessment process adopted enables the Group to garner insights into the most significant EESG factors that are relevant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

# SUSTAINABILITY STATEMENT

cont'd

## MATERIAL ASSESSMENT PROCESS

The assessment process conducted is summarised in the diagram below:



## MATERIAL SUSTAINABILITY MATTERS

In 2022, we conducted a structured materiality assessment that identified fifteen (15) material sustainability matters ("MSM") that are significant to the Group's business operation and to our stakeholders. To streamline our efforts, we categorised these MSM into six (6) key focus areas in our sustainability approach. An online survey was conducted whereby our stakeholders, including customers, employees, shareholders, directors, financiers, suppliers and dealers were invited to provide feedback on the significance and relevance of these MSM that helped us to understand and prioritise our focus on areas that matter the most.

Following the Amendments to Bursa Securities Main Market Listing Requirements and release of the Sustainability Reporting Guide (3rd Edition) in September 2022, we have conducted a gap analysis and identified two (2) common mandatory MSMs prescribed by Bursa Securities, namely Water and Supply Chain Management which were not previously identified as MSM from our materiality assessment. These two (2) common MSMs were included, making up to a total of seventeen (17) MSMs for the Group and the Board has approved these MSMs in November 2022 for adoption and disclosure.

# SUSTAINABILITY STATEMENT

cont'd

## MATERIALITY MATRIX



Summary of the seventeen (17) Material Sustainability Matters

PILLARS			
ECONOMY	ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> <li>Economy Growth</li> <li>Supply Chain Management*</li> <li>Digitalisation and Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Emission Management</li> <li>Waste</li> <li>Energy Management</li> <li>Water*</li> <li>Responsible Consumption - Materials</li> </ul>	<ul style="list-style-type: none"> <li>Community Investment</li> <li>Health, Safety and Well-being (Customer)</li> <li>Customer Excellence</li> <li>Health, Safety and Well-being (Occupational)</li> <li>Diversity, Equality and Inclusion</li> <li>Labour Practices and Standards</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Corruption</li> <li>Compliance</li> <li>Data Privacy and Security</li> </ul>
<p>* Added following the Amendments to Bursa Securities Main Market Listing Requirements and the Sustainability Reporting Guide (3rd Edition) in September 2022.</p>			

# SUSTAINABILITY STATEMENT

cont'd

## STAKEHOLDER ENGAGEMENT

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

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

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

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

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

Key Stakeholders	Material Matters	Key Needs & Expectations	Engagement Method	Frequency
Employees	<ul style="list-style-type: none"> <li>Health, Safety and Well-being (Occupational)</li> <li>Labour Practices and Standards</li> </ul>	<ul style="list-style-type: none"> <li>Workplace safety and employee wellness</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety trainings, internal newsletters and poster displays</li> </ul>	Throughout the year
		<ul style="list-style-type: none"> <li>Equal opportunities for professional learning and development</li> </ul>	<ul style="list-style-type: none"> <li>Training opportunities (internal and external)</li> </ul>	Annually
		<ul style="list-style-type: none"> <li>Career progression</li> <li>Remuneration &amp; benefits</li> </ul>	<ul style="list-style-type: none"> <li>Succession planning</li> <li>Performance review</li> </ul>	
		<ul style="list-style-type: none"> <li>Employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>Festive gathering and team building activities</li> <li>Town hall meetings and branch visits</li> </ul>	Throughout the year
		<ul style="list-style-type: none"> <li>Ethics and integrity</li> <li>Responsible citizens</li> </ul>	<ul style="list-style-type: none"> <li>Briefing to raise awareness and ensuring compliance to the relevant laws and regulations</li> </ul>	Annually as needed
Customers	<ul style="list-style-type: none"> <li>Health, Safety and Well-being (Customer)</li> <li>Customer Excellence</li> </ul>	<ul style="list-style-type: none"> <li>Product safety &amp; quality</li> </ul>	<ul style="list-style-type: none"> <li>Feedback to principals/manufacturers on quality and product enhancement</li> </ul>	Throughout the year
		<ul style="list-style-type: none"> <li>Customer support service and experience</li> <li>Timely customer complaint management and handling</li> </ul>	<ul style="list-style-type: none"> <li>Customer survey</li> <li>Online review and ratings</li> </ul>	Annually
			<ul style="list-style-type: none"> <li>Visitation at customer service centre</li> <li>Virtual meeting / chat / email response</li> <li>Customer complaint channel (phone line / online web / social media)</li> </ul>	Throughout the year

# SUSTAINABILITY STATEMENT

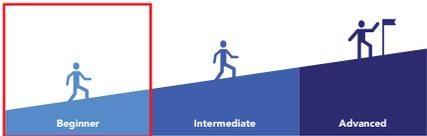
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Key Stakeholders	Material Matters	Key Needs & Expectations	Engagement Method	Frequency
Financier	<ul style="list-style-type: none"> <li>Economy Growth</li> </ul>	<ul style="list-style-type: none"> <li>Borrowing for new projects, expansion of business and business operations.</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face / virtual meetings</li> </ul>	As needed
Director	<ul style="list-style-type: none"> <li>Economy Growth</li> <li>Compliance</li> <li>Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Business strategies and sustainability</li> <li>Risk management oversight</li> <li>Clear and comprehensive business plans</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face / virtual meetings</li> <li>Board, Audit Committee and Executive Management Committee meetings</li> </ul>	Quarterly As needed
Suppliers	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Digitalisation and Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Ethical supplier management</li> <li>Product quality</li> <li>Pricing and delivery schedule</li> <li>Efficient and effective payment process and platform</li> </ul>	<ul style="list-style-type: none"> <li>Tender, bidding and quotation requests</li> <li>Supplier evaluation dialogs</li> <li>Assessing goods reject report</li> <li>Cost rationalization activities and dialogs</li> <li>Briefings on marketing strategy</li> <li>Enhancement updates</li> </ul>	Throughout the year
Investors / Shareholders	<ul style="list-style-type: none"> <li>Economy Growth</li> </ul>	<ul style="list-style-type: none"> <li>Good financial performance and results</li> <li>Favourable return on investments</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Annual report</li> </ul>	Annually
Dealer	<ul style="list-style-type: none"> <li>Economy Growth</li> <li>Customer Excellence</li> </ul>	<ul style="list-style-type: none"> <li>Increase customer base</li> <li>Local market knowledge</li> <li>Insights into consumer preferences and buying behaviours</li> <li>Customers' feedback on product quality and service level.</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face / virtual meetings</li> <li>Target setting and incentives program</li> </ul>	Throughout the year
Regulators & Government Bodies	<ul style="list-style-type: none"> <li>Compliance</li> <li>Labour Practices and Standards</li> <li>Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Good governance, transparency and accountability</li> <li>Stay up-to-date with the relevant laws and regulations</li> <li>Accurate regulatory disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Active engagement with respective regulatory bodies</li> <li>Submission of returns and/or report.</li> </ul>	Throughout the year
Media	<ul style="list-style-type: none"> <li>Economy Growth</li> </ul>	<ul style="list-style-type: none"> <li>Good reputation and brand image</li> <li>Long-term relationship with existing customers / followers</li> <li>Increase visibility to expand customers / followers base</li> </ul>	<ul style="list-style-type: none"> <li>Interviews and press release articles</li> <li>Social media posts and engagement</li> </ul>	Throughout the year

# SUSTAINABILITY STATEMENT

cont'd

Key Stakeholders	Material Matters	Key Needs & Expectations	Engagement Method	Frequency
Local Community	<ul style="list-style-type: none"> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Supply of manpower</li> <li>Corporate social responsibility</li> <li>Community care &amp; support</li> </ul>	<ul style="list-style-type: none"> <li>Talent sourcing in career fairs</li> <li>Social contribution and community services</li> </ul>	Annually As needed
Industry Associations	<ul style="list-style-type: none"> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face / virtual meetings</li> </ul>	As needed
Non-Governmental Organisations (NGOs)	<ul style="list-style-type: none"> <li>Emission Management</li> <li>Water</li> <li>Waste</li> <li>Responsible Consumption - Materials</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Business operation impacts on environment</li> <li>Climate Change</li> <li>Community welfare</li> </ul>	<ul style="list-style-type: none"> <li>Support in environmental sustainability efforts</li> <li>Cooperation and support to NGOs</li> </ul>	As needed

LEVEL OF PROFICIENCY	OUR MANAGEMENT APPROACH
 <p>Source: Bursa Securities Sustainability Reporting Guide (3rd Edition).</p>	<ul style="list-style-type: none"> <li>Developed policies for MSM to increase business and operational effectiveness, efficiency and transparency as well as where regulatory requirements apply.</li> <li>Framework, procedures and/or action plans linked to several relevant key sustainability targets only.</li> <li>Adopted all Common MSM as prescribed by Bursa Securities.</li> <li>Adopted all Common Indicators except for indicator of Emission Management.</li> <li>Internal company targets are set and aimed to drive internal behavioural change.</li> <li>Disclosure of all reported sustainability indicators and targets on a 'Rolling Basis'; with year 2021 data as the Baseline.</li> <li>Our Sustainability Statement was reviewed by Group Internal Audit for factual and content accuracy.</li> </ul>

## WTCH POLICIES, PROCEDURES AND FRAMEWORKS

- Directors' Fit and Proper Policy
- Directors and Senior Management Remuneration Policy
- Provision of Non-Audit Services by External Auditor Policy
- Anti-Bribery and Anti-Corruption Policy
- Risk Management Policies and Procedures
- Special Complaint Policy
- Fraud Prevention Policy
- Environment, Health and Safety ("EHS") Policy
- Code of Business Conduct and Ethics for Employees
- Corruption Risk Assessment Framework
- Sustainability Framework

## OUR FOCUS AREAS

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

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

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

# SUSTAINABILITY STATEMENT

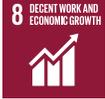
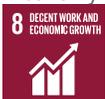
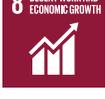
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## MATERIALITY ASSESSMENT

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

# SUSTAINABILITY STATEMENT

cont'd

Focus Areas C.R.E.A.T.E	Importance to Us and Our Stakeholders	Material Sustainability Matters	Theme	EESG Pillars SDG
Thrive: <i>Business Model and Innovation</i>	To keep building capacity and capability.	Economy Growth	Resilient Business Model <ul style="list-style-type: none"> <li>Agile against disruptions (e.g. Covid 19 pandemic).</li> <li>Sustainable profitability and financial management.</li> <li>Investing and operating businesses by applying EESG lens.</li> </ul>	Economy 
	To build resilience against supply chain disruptions.	Supply Chain Management	Resilient Business Model <ul style="list-style-type: none"> <li>Sustaining and driving local economic growth.</li> </ul>	Economy 
	To keep pace with the fast evolving world.	Digitalisation and Innovation	Technology-Driven and Innovation for Better Reach, Products, Services and Customer Experience <ul style="list-style-type: none"> <li>Enhance technology capability – Digitalisation and Automation to improve operational speed, accuracy, efficiency and effectiveness.</li> <li>Transform business via new platform.</li> <li>Conducive environment for innovation.</li> </ul>	Economy 
	To maintain good quality and safe products/ services.	Health, Safety and Well-being (Customer)	Technology-Driven and Innovation for Better Reach, Products, Services and Customer Experience <ul style="list-style-type: none"> <li>Product safety and responsible customer protection.</li> </ul>	Social 
	To enhance customer relationship and experience.	Customer Excellence	Technology-Driven and Innovation for Better Reach, Products, Services and Customer Experience <ul style="list-style-type: none"> <li>Availability, accessibility and reliability of products and services.</li> <li>Professional, responsive and timely customer support and communication.</li> </ul>	Social 
Empower: <i>Employees</i>	To protect our workforce and workplace.	Health, Safety and Well-being (Occupational)	Competent Workforce: People Growth, Engaged Employees and Diverse Talent Pool <ul style="list-style-type: none"> <li>Health, Safety and Well-being (Occupational) and Mental Health.</li> </ul>	Social 
	To build dynamic teams.	Diversity, Equality and Inclusion	Competent Workforce: People Growth, Engaged Employees and Diverse Talent Pool <ul style="list-style-type: none"> <li>Diverse and Inclusive Environment.</li> <li>Non-discriminating, Fair and Safe Workplace.</li> </ul>	Social  
	To care for our people: Employee enrichment.	Labour Practices and Standards	Competent Workforce: People Growth, Engaged Employees and Diverse Talent Pool <ul style="list-style-type: none"> <li>Continuous Training and Development Programme.</li> <li>Employee benefits, welfare, rewards, accomplishment recognition, appreciation, autonomy and management support.</li> </ul>	Social 

# SUSTAINABILITY STATEMENT

cont'd

## RISK AND OPPORTUNITIES IDENTIFIED

Focus Areas C.R.E.A.T.E	Ref. ID	Material Sustainability Matters	Risks	Opportunities
<u>C</u> ontribute: <i>Community Progress and Prosperity</i>	MSM1	Community Investment	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Creating positive social impacts and enhancing corporate image, branding and reputation.</li> </ul>
<u>R</u> educe: <i>Environmental Impacts and Carbon Footprint</i>	MSM2	Emission Management	<ul style="list-style-type: none"> <li>Increased operational costs, sanctions for non-compliance and increasing prevalence of environmental hazards.</li> </ul>	<ul style="list-style-type: none"> <li>Review business operations and processes to reduce CO2 emission.</li> <li>Redefine business strategies and product offerings for the travel, automotive and machinery segments in support of environmental protection efforts at both international and national level.</li> </ul>
	MSM3	Waste	<ul style="list-style-type: none"> <li>Environmental pollution, health hazards, legal and regulatory compliance issues and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Resource recovery, recycling materials, cost savings, additional revenue generation, innovation in waste reduction and disposal and mitigating health and safety issues.</li> </ul>
	MSM4	Energy Management	<ul style="list-style-type: none"> <li>Inefficient use of energy will lead to higher operating expenses and higher carbon footprint.</li> <li>High initial cost to invest in energy efficient appliances and renewable energy sources.</li> <li>Reduced profitability if carbon tax is implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Cheaper to maintain energy efficient appliances in long term.</li> <li>Cost savings and carbon tax incentives on renewable energy sources.</li> </ul>
	MSM5	Water	<ul style="list-style-type: none"> <li>Water wastage leading to higher water bills translated into increased costs for the Group and water shortage impacting the community and industry.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable water management enhances efficiency, reduces waste and saves on operating cost.</li> </ul>
<u>E</u> mbrace: <i>Circular Economy</i>	MSM6	Responsible Consumption (Materials)	<ul style="list-style-type: none"> <li>Overconsumption can lead to biodiversity loss, ecosystem degradation, environmental hazards, deprivation of future generations' basic needs and a shortage of raw materials for production.</li> </ul>	<ul style="list-style-type: none"> <li>Redefine business strategies and product offerings that optimize resources and reduce negative environmental impacts.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

Focus Areas C.R.E.A.T.E	Ref. ID	Material Sustainability Matters	Risks	Opportunities
Adopt: <i>Good Governance</i>	MSM7	Anti-Corruption	<ul style="list-style-type: none"> <li>Reputation damage, monetary sanctions and business loss due to corrupted practices and unethical business transactions.</li> </ul>	<ul style="list-style-type: none"> <li>Increased credibility and trust with the stakeholders and business partnership opportunities within the industry.</li> </ul>
	MSM8	Compliance	<ul style="list-style-type: none"> <li>Reputation damage, monetary sanctions and business disruption resulted from non-compliances with legal and regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Reputable company trusted by stakeholders, preferred by customers and possessing competitive edge with improved business operations.</li> </ul>
	MSM9	Data Privacy and Security	<ul style="list-style-type: none"> <li>Negative publicity, revenue and customer loss and monetary sanctions resulting from data breaches, compliance violations and operational disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced cyber resilience with skilled employees, efficient business operations, effective data protection systems and capable security technology/ solutions.</li> </ul>
Thrive: <i>Business Model and Innovation</i>	MSM10	Economy Growth	<ul style="list-style-type: none"> <li>Potential losses of the Group may lead to decreased shareholder value, underperforming share prices, lower income tax contributions, reduced employee income and a negative impact on the local economy.</li> </ul>	<ul style="list-style-type: none"> <li>Constantly enhancing business strategies, leveraging key business growth drivers and ensuring profitable operations.</li> </ul>
	MDM11	Supply Chain Management	<ul style="list-style-type: none"> <li>Challenges arising from supply chain disruptions and regulations changes that prioritize environmental and social issues.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable supply chain practices can enhance cost-effectiveness, brand differentiation, stakeholder relationships, reduction in emission, increase in income of local community and resilience against supply chain disruption.</li> </ul>
	MSM12	Digitalisation and Innovation	<ul style="list-style-type: none"> <li>Obsolete technologies and products, inadequate data analysis tools and inefficient supply chain integration will result in loss of market share, revenue, errors, omissions and inconvenience for customers.</li> </ul>	<ul style="list-style-type: none"> <li>Gain competitive advantage with new products, better data analysis and compliance, seamless payment solutions and enhanced customer experience.</li> </ul>
	MSM13	Health, Safety and Well-being (Customer)	<ul style="list-style-type: none"> <li>Accidents and incidences that may lead to fatality, severe injury, sanctions and negative publicity.</li> </ul>	<ul style="list-style-type: none"> <li>Establish trust with customers and strengthen the corporate image and brand reputation.</li> </ul>
	MSM14	Customer Excellence	<ul style="list-style-type: none"> <li>Negative perception on corporate image and brand reputation.</li> <li>Loss of customers, sales and revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Establish trust with customers and strengthen the corporate image and brand reputation.</li> <li>Customer base, sales and revenue growth.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

Focus Areas C.R.E.A.T.E	Ref. ID	Material Sustainability Matters	Risks	Opportunities
Empower: Employees	MSM15	Health, Safety and Well-being (Occupational)	<ul style="list-style-type: none"> <li>Accidents and incidences that may lead to fatality, severe injury, operation downtime, asset damage, sanctions and negative publicity.</li> </ul>	<ul style="list-style-type: none"> <li>A safe and healthy workplace and work conditions can boost employee productivity and performance, reduce workplace accidents/incidents, lower absenteeism and turnover rates and minimize healthcare costs and workers' compensation claims.</li> </ul>
	MSM16	Diversity, Equality and Inclusion	<ul style="list-style-type: none"> <li>Communication barriers, low employee morale and conflicts arising from workplace discrimination and unfair treatment.</li> </ul>	<ul style="list-style-type: none"> <li>Improved operational efficiency and decision-making process by bringing fresh perspectives, creativity, and innovation to the business.</li> <li>Benefits of good reputation, wider customer base, increased employee satisfaction and positive corporate culture.</li> </ul>
	MSM17	Labour Practices and Standards	<ul style="list-style-type: none"> <li>Incompetent workforce, disengaged employees and inability to attract talents.</li> <li>Negative publicity and poor reviews in professional networking and job search sites.</li> </ul>	<ul style="list-style-type: none"> <li>Be the preferred employer with good human resource management and positive corporate culture to increase the capability and capacity for business growth.</li> </ul>

# SUSTAINABILITY STATEMENT

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## INDICATORS AND PERFORMANCE TARGETS

We adopted all common indicators as prescribed by Bursa Securities except for Emission Management, which we intend to align in 2024. As a starting point for the Group, internal targets are set to drive behavioural change.

## CROSS MAPPING AGAINST COMMON MATERIAL SUSTAINABILITY MATTERS AND INDICATORS

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

# SUSTAINABILITY STATEMENT

cont'd

WTCH Ref. ID	WTCH Prioritized Sustainability Material Matters	Bursa Securities Common Sustainability Material Matters	WTCH Indicators	Indicator Type • (Aligned) to Bursa Securities Common Indicators • Company (Internal) Indicators	WTCH Targets • Available Targets = Company's Internal Target • Industry Benchmark Targets = None
MSM6	Responsible Consumption (Materials)	N/A	(Travel Business) Number of sustainable tourism such as green hotels and eco-friendly products promoted  (Manufacturing Business) Number of product sample developed with sustainable materials  (Rental Business – Car and Machineries) Ratio of used/ total vehicles and machineries rental	N/A	(Travel Business) ≥ 5 posts promoting sustainable tourism per year  (Manufacturing Business) Develop at least 2 new product samples with sustainable materials per year  (Rental Business – Car and Machineries) Target: 60% used vehicles and machineries/ total fleet by 2026.
MSM7	Anti-Corruption	Anti-Corruption (Aligned)	a) Percentage of employees who have received training on anti-corruption by employee category. b) Percentage of directors who have received training on anti-corruption. c) Percentage of operations assessed for corruption-related risks. d) Confirmed incidence of corruption and action taken.	a) Aligned b) Internal c) Aligned d) Aligned	a) 100% employees b) 100% directors c) 100% operations d) Zero
MSM8	Compliance	N/A	• Total monetary value of fines. • Total number of non-monetary sanctions for non-compliance with laws and regulations.	N/A	Zero non-compliance with laws and regulations
MSM9	Data Privacy and Security	Data Privacy and Security (Aligned)	a) Number of substantiated complaints, concerning breaches of customer privacy and losses of customer data. b) Number of incidents of successful cyber-attack.	a) Aligned b) Internal	a) Zero b) Zero
MSM10	Economy Growth	N/A	Revenue	N/A	Yearly Revenue growth of 5%
MSM11	Supply Chain Management	Supply Chain Management (Aligned)	Proportion of spending on local supplies.	Aligned	N/A
MSM12	Digitalisation and Innovation	N/A	Numbers of digitalisation and automation projects improving operational efficiency and effectiveness.	N/A	At least 1 project per year

# SUSTAINABILITY STATEMENT

cont'd

WTCH Ref. ID	WTCH Prioritized Sustainability Material Matters	Bursa Securities Common Sustainability Material Matters	WTCH Indicators	Indicator Type • (Aligned) to Bursa Securities Common Indicators • Company (Internal) Indicators	WTCH Targets • Available Targets = Company's Internal Target • Industry Benchmark Targets = None
MSM13	Health, Safety and Well-being (Customer)	N/A	<ul style="list-style-type: none"> <li>Number of complaints.</li> <li>Number of accidents due to product safety.</li> </ul>	N/A	Zero complaints and accident due to the product safety
MSM14	Customer Excellence	N/A	Customer Survey Ratings: a. 1 to 2 stars - Detractor b. 3 stars - Neutral c. 4 to 5 stars - Promoter	N/A	3 stars and above - by 2024 4 stars and above - by 2026
MSM15	Health, Safety and Well-being (Occupational)	Health and Safety (Aligned)	<ul style="list-style-type: none"> <li>Number of work-related fatalities.</li> <li>Lost Time incident Rate (LTIFR) and Severity Rate (SR).</li> <li>Number of training hours per employee on health and safety standards.</li> <li>Number of employees trained on health and safety standards.</li> </ul>	<ul style="list-style-type: none"> <li>Aligned</li> <li>Aligned</li> <li>Internal</li> <li>Aligned</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities case</li> <li>Yearly 10% reduction for LTIFR and SR</li> <li>2 training hours per employee</li> <li>100% of employees trained on health and safety standards from year 2023</li> </ul>
MSM16	Diversity, Equality and Inclusion	Diversity (Aligned)	<ul style="list-style-type: none"> <li>Percentage of employees by gender and age group by each employee category.</li> <li>Percentage of directors by gender and age group</li> </ul>	<ul style="list-style-type: none"> <li>Aligned</li> <li>Aligned</li> </ul>	<ul style="list-style-type: none"> <li>Deviation of not more than 10% for all employees from the ratio of year 2021</li> <li>At least 1 woman director any one point in time</li> </ul>
MSM17	Labour Practices and Standards	Labour Practices and Standards (Aligned)	<ul style="list-style-type: none"> <li>Total hours of training per employee per year by employee category.</li> <li>Percentage of employees that are contractors or temporary staff</li> <li>Total number of employee turnover by employee category</li> <li>Number of substantiated complaints concerning human rights violations.</li> </ul>	<ul style="list-style-type: none"> <li>Aligned</li> <li>Aligned</li> <li>Aligned</li> <li>Aligned</li> </ul>	<ul style="list-style-type: none"> <li>20 hours</li> <li>N/A</li> <li>N/A</li> <li>Zero</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

## PROGRESS AND PERFORMANCE

### CREATE – Contribute to Community Progress and Prosperity:

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

<b>[MSM1] Community Investment: Making a Positive Social Impact</b> Funding and supporting local charities and non-profits organisations through Corporate Social Responsibility (CSR) activities that benefit the community.		
Scope: GROUP		Target: 10 CSR activities per year.
Total number of CSR Activities: <b>14</b>	Total amount invested in the community where the target beneficiaries are external to the Group: RM 6,950	Total number of beneficiaries of the investment in communities: 107
Remark: <ul style="list-style-type: none"> <li>Target achieved.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Initiatives to support local charities and non-profit organisations to help advance their important causes.</li> <li>Strengthen our engagement with local charities and non-profit organisations to leverage their expertise, effectively targeting our CSR activities towards addressing pressing community needs.</li> </ul>		

# SUSTAINABILITY STATEMENT

cont'd

## CORPORATE SOCIAL RESPONSIBILITIES ACTIVITIES IN 2022



TCIM donated RM500 to Crowdfunding Case 1370 for 8-year-old Chow Shun Rong, who has eye cancer.



MCR donated RM 500 and a RM 200 fruit basket to a Customer Service Officer who suffered from a stroke.



Donation of RM 1,800 to Kechara Soup Kitchen's "Feed a Family" campaign, providing 3 months' worth of dry food for four extremely poor families.



Flood relief donation drive to support the affected 36 TCIM employees.



TCIM employees visited 13 senior citizens at Pertubuhan Kebajikan Orang Tua Xiao Xin and donated essential items.



RM1,500 flood relief donation by MCTS to assist employees affected by severe flash floods in several states.



TCIM employees visited Lotus Charity Centre (Semenyih) and donated essential items to 51 senior citizens and young children.



The TCAM Recycling Program collected a total of 42kg of recyclable materials for the program's beneficiary i.e. Persatuan Perkhidmatan Komuniti Taiping.

## SUSTAINABILITY STATEMENT

cont'd



ATM collaborated with WTCMS to clean the beach at Port Dickson.



WTCMS employees volunteered at Galeri Animal Malaysia for Save The Strays. They cleaned and fed the animals and presented a contribution cheque from WTCMS and its staff to the Malaysian Association of Animals.



TCIM employees visited The Peace Education Centre (T-PEC), a non-profit refugee community learning center in Kuala Lumpur and donated essential items.



TCAM collaborated with Klinik Kesihatan Simpang (Taiping) to offer the Pap Smear and B40 PRIHATIN Health Screening Program.



TCIM collaborated with BP Healthcare to offer Health Screening Program, with a focus on workers over 40.



Blood Donation Drive at TCAM during the Lingerie Clearance Sales event and collected 15 bags of blood.

## SUSTAINABILITY STATEMENT

cont'd

### CREATE – Reduce Environmental Impacts and Carbon Footprint:

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

Transitioning to low carbon energy sources is crucial to reduce our carbon footprint and mitigate climate change by limiting the emission of greenhouse gases.

<b>[MSM2] Emission Management: Reducing GHG and Other Airborne Contaminants</b> Transition from Internal Combustion Engine (ICE) vehicles and machineries to Hybrid and Electric vehicles and machineries to reduce emission.		
Scope: Rental Business – Car and Machineries		
Target No.1 5% increase of the number of electric, hybrid vehicles and machineries on yearly basis.	Performance No.1 Total number of electric, hybrid vehicles and machineries: <b>432</b>  Compared to FYE2021: <b>↑ 11.9%</b>	
Target No.2 Achieve 10% of electric, hybrid vehicles and machineries in total fleet by 2026.	Performance No.2 Total fleet of electric, hybrid vehicles and machineries ratio: 15.5%	
Remarks: <ul style="list-style-type: none"> <li>Achieved both targets.</li> <li>For Target No.2, we have achieved and exceeded the target of 10% by 2026. The Group will consider raising the target in 2023.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Steps to replace ICE vehicles and machinery with hybrid and electric alternatives as they reach their end-of-life or are due for replacement.</li> <li>Encourage the use of electric or hybrid vehicles for rent or term-subscriptions.</li> <li>Accelerate the pace of transitioning from ICE vehicles and machineries to hybrid and electric alternatives to achieve our 2026 target.</li> </ul>		

# SUSTAINABILITY STATEMENT

cont'd

Responsible disposal of waste is crucial to reduce the environmental impact of waste and prevent harm to human health and the ecosystem.

<b>[MSM3] Waste: Responsible Disposal of Waste</b> Handling and management of waste generated and disposal.		 
Scope: Machinery Business		
Target: N/A	Performance: (a) Total waste generated: <b>74.1 Metric Tonnes</b> (b) Total waste diverted from disposal: <b>67.9 Metric Tonnes</b> (c) Total waste directed to disposal: <b>6.2 Metric Tonnes</b>	
Remarks: <ul style="list-style-type: none"> <li>One of the subsidiaries of the Group has started monitoring the total waste generated, diverted from and to disposal.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Monitor and analyse waste generation and disposal patterns to identify opportunities for waste reduction and diversion.</li> <li>Implementation and enforcement of waste segregation and recycling programmes to ensure recyclable materials are diverted from landfills.</li> </ul>		

Responsible energy consumption promotes efficiency, reduces waste, minimises carbon footprint, lowers costs and supports sustainability.

<b>[MSM4] Energy Management: Responsible Consumption</b> Management of energy intensity and improving energy efficiency.		 
Scope: GROUP	Target: Reduction of 5% of Gigajoules (GJ) consumed per RM (revenue) generated by 2026.	
Total GJ consumed per RM (revenue) generated: <b>0.0000560 GJ/RM</b>	Total energy consumption: 28,440 GJ	
Compared to FYE2021: <b>↓ 17%</b>	Compared to FYE2021: <b>↑ 8.9%</b>	
Remarks: <ul style="list-style-type: none"> <li>We achieved a significant reduction in our energy intensity in 2022 compared to 2021. The decrease in energy intensity was attributed to the improved revenue generation in 2022 following the Covid-19 transition to the endemic phase.</li> <li>Our total energy consumption has increased due to resumption of full business operations and return of employees to the office. The 2021 figure is not a true representation of energy consumption of the Group as some operations were halted and employees were working from home to comply with the Movement Control Orders in 2021.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Raise employee awareness about energy conservation and encourage them to take actions to reduce energy consumption in their work and personal lives.</li> <li>Invest in energy-efficient technologies such as LED lighting, energy-efficient heating, ventilation and air-conditioning systems and energy-efficient equipment to reduce our energy consumption.</li> <li>Explore investing in solar panels to generate renewable energy for our consumption.</li> </ul>		

## SUSTAINABILITY STATEMENT

cont'd

Water conservation is crucial for ensuring a sustainable supply of freshwater for present and future generations, reducing strain on limited resources, supporting human needs and mitigating climate change impacts.

<b>[MSM5] Water: Ensuring Availability</b> Handling and management of water consumption. Provision of clean water for drinking and sanitation.		
Scope: GROUP	Target: N/A	
Total water consumption: <b>28,414 Megalitres</b> Compared to FYE2021: <b>↑ 17%</b>		
Remarks: <ul style="list-style-type: none"> <li>Water consumption increased due to resumption of full business operations and return of employees to the office following the Covid-19 transition to the endemic phase.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Raise employee awareness on water conservation and encourage them to take actions to reduce water consumption in their work and personal lives.</li> </ul>		

### CREATE – Embrace Circular Economy:

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

Embracing a circular economy maximises the value of materials while promoting responsible consumption.

<b>[MSM6] Responsible Consumption – Materials</b> Optimizing and improving efficiencies in handling and management of material consumption.		
Scope: Travel, Manufacturing and Rental Businesses		
Target No.1: (Travel Business) At least 5 posts promoting sustainable tourism per year.	Performance No.1: (Travel Business) No. of post promoting sustainable tourism: <b>84 posts</b>	
Target No.2: (Manufacturing Business) Develop at least 2 new product samples with sustainable materials per year.	Performance No.2: (Manufacturing Business) No. of new product samples with sustainable materials: <b>2 samples</b>	
Target No.3: (Rental Business – Car and Machineries) 60% used vehicles and machineries/ total fleet by 2026.	Performance No.3: (Rental Business – Car and Machineries) Used vehicles and machineries/ total fleet: <b>60.6%</b> Compared to FYE2021: <b>↑ 13.3%</b>	
Remarks: <ul style="list-style-type: none"> <li>All targets achieved/on-track for achievement.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Explore opportunities for developing partnerships with suppliers or collaboration with organisations who share our commitment to sustainability and offer sustainable materials.</li> </ul>		

# SUSTAINABILITY STATEMENT

cont'd

## CREATE – Adopt Good Governance:

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

A strict zero-tolerance policy towards corruption is critical to maintain our Group's integrity and reputation, prevent financial losses and promote ethical behaviour in all business dealings.

<p><b>[MSM7] Anti-Corruption: Zero Tolerance</b> Compliance to Malaysian Anti-Corruption Commission Act and WTCH Anti-Bribery and Anti-Corruption Policy.</p>	
<p>Scope: GROUP</p>	
<p>Targets:</p> <ol style="list-style-type: none"> <li>100% employees who have received training on anti-corruption by employee category.</li> <li>100% directors who have received training on anti-corruption.</li> <li>100% operations assessed for corruption-related risks.</li> <li>Zero confirmed incidence of corruption and action taken.</li> </ol>	
<p>Performance:</p> <ol style="list-style-type: none"> <li>Percentage of employees trained on anti-corruption by employee category: <i>Info: Total number of employees = 953 persons. Two (2) employees who were on long-term medical leave were exempted from the training.</i> <ul style="list-style-type: none"> <li>✓ Senior Management: <b>100%</b></li> <li>✓ Mid-Management: <b>100%</b></li> <li>✓ Executive: <b>100%</b></li> <li>✓ Non-executive: <b>100%</b></li> </ul> </li> <li>Percentage of directors trained on anti-corruption: <b>100%</b> <i>Info: Total number of directors = 7 persons</i></li> <li>Percentage of operations assessed for corruption-related risks: <b>100%</b></li> <li>No. of confirmed incidence of corruption and action taken: <b>Zero</b></li> </ol>	
<p>Remarks:</p> <ul style="list-style-type: none"> <li>All targets achieved.</li> </ul>	
<p>Moving Forward:</p> <ul style="list-style-type: none"> <li>Prioritise anti-corruption measures and regularly assess and monitor the effectiveness of policies and procedures.</li> <li>Corruption risk assessment and monitoring of corruption key risk indicators.</li> <li>Provide yearly training and regular updates to directors on any changes to regulations or policies related to anti-corruption measures.</li> <li>Conduct yearly training to reinforce the importance of anti-corruption measures and update employees on any changes in regulations or policies.</li> </ul>	

## SUSTAINABILITY STATEMENT

cont'd

*Zero Tolerance: Our Group is Against All Forms of Bribery and Corruption.*

Compliance without compromise is crucial to demonstrate our integrity, accountability, and sustainability efforts.

<p><b>[MSM8] Compliance: No Compromise</b> Abide to all applicable laws, rules and regulations including internal company policies and procedures.</p>		
Scope: GROUP	Target: Zero non-compliance with laws and regulations	
Total monetary value of fines: <b>RM20,451</b>	Total number of non-monetary sanctions for non-compliance with laws and regulations: <b>Zero</b>	
<p>Remarks:</p> <ul style="list-style-type: none"> <li>2 subsidiaries incurred fines totalling RM20,451.</li> </ul>		
<p>Action Plan:</p> <p>The Standard Operating Procedures ("SOP") underwent a thorough review and improvement process, followed by comprehensive meetings with all relevant personnel. The aim was to effectively communicate and ensure timely implementation of the changes in the SOP, with the ultimate goal of mitigating non-compliance in the future.</p>		
<p>Moving forward:</p> <ul style="list-style-type: none"> <li>Strengthen the monitoring and tracking processes including automating manual reminder processes.</li> </ul>		

## SUSTAINABILITY STATEMENT

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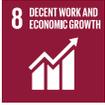
We prioritise cybersecurity to safeguard sensitive data and maintain customer privacy and take proactive measures to prevent breaches that could result in financial losses and harm to reputation.

<p><b>[MSM9] Data Privacy and Security: Capabilities and Preparedness</b> Effective data protection and preparedness against cybersecurity threats. Skilled and equipped to manage any potential breach and attacks.</p>	
Scope: GROUP	
<p>Targets:</p> <p>a) Zero number of substantiated complaints, concerning breaches of customer privacy and losses of customer data.</p> <p>b) Zero number of incidents of successful cyber-attack.</p>	
Number of substantiated complaints, concerning breaches of customer privacy and losses of customer data: <b>Zero</b>	Number of incidents of successful cyber-attack: <b>Zero</b>
<p>Remarks:</p> <ul style="list-style-type: none"> <li>Achieved both targets.</li> </ul>	
<p>Moving Forward:</p> <ul style="list-style-type: none"> <li>Implement thorough risk assessment on cybersecurity risk.</li> <li>Prioritize data protection and system security control measures and regularly assess and monitor the effectiveness.</li> <li>Conduct of mandatory yearly awareness programme to train employees on data protection.</li> </ul>	

### CREATE – Thrive on Resilient Business Model and Innovation:

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

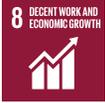
Economic performance is utmost importance for delivering profitability and maintaining a healthy financial performance as well as creating value for our stakeholders towards a sustainable business commitment.

<p><b>[MSM10] Economy Growth</b> Resilient business model with EESG considerations as key business growth drivers.</p>	
Scope: GROUP	
Target: Yearly Revenue growth of 5%	<p>Total Revenue: <b>RM 507.6 Million</b></p> <p>Compared to FYE2021: <b>↑ 31%</b></p>
<p>Remark:</p> <ul style="list-style-type: none"> <li>Target achieved.</li> </ul>	
<p>Moving Forward:</p> <ul style="list-style-type: none"> <li>Implement robust risk management and governance frameworks to ensure compliance with EESG regulations and standards.</li> <li>Maintain focus on building capacity and capability through training and development programmes for employees.</li> <li>Increase engagement with stakeholders, to understand their needs and expectations and integrate their feedback into the business strategy.</li> <li>Explore and implement sustainable business practices, such as energy-efficient operations, waste reduction and responsible supply chain management.</li> <li>Regularly review and evaluate the effectiveness of the EESG strategy and revise for continuous improvement and long-term success.</li> </ul>	

## SUSTAINABILITY STATEMENT

cont'd

A sustainable supply chain promotes long-term development and building resilience against disruptions while preserving the environment.

<b>[MSM11] Supply Chain Management</b> Sustaining and driving local economic growth. Strong and strategic partnerships with common sustainability goals.		
Scope: GROUP	Target: N/A	
Proportion of spending on local supplies by subsidiaries of the Group: Ranging from <b>92% to 100%</b>		
Moving Forward: <ul style="list-style-type: none"> <li>Put in place a policy/procedure to address supply chain management for the Group.</li> <li>Engage with all stakeholders to raise awareness about the importance of supply chain management and identify opportunities for collaboration and improvement.</li> </ul>		

Digitalisation enables businesses to automate processes, streamline operations and enhance their overall efficiency. Innovation, on the other hand, drives creativity and enables businesses to stay ahead of the curve by introducing new products, services and business models.

<b>[MSM12] Digitalisation and Innovation</b> Business operation efficiency and effectiveness.		
Scope: GROUP		
Target: At least 1 project digitalisation and automation project per year improving operational efficiency and effectiveness	Performance: At least 1 project ranging from website revamp, car costing template automation, virtual launch and online showroom, Apps enhancement and new designs.	
Remarks: <ul style="list-style-type: none"> <li>Target achieved.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Measures to improve operational speed, accuracy, efficiency and effectiveness by automating business processes and workflows.</li> <li>Initiatives to enhance digital experience and seamless payment platform for customers.</li> <li>Engage with all stakeholders to identify opportunities for digital transformation and innovative business solutions.</li> </ul>		

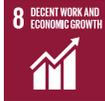
We prioritise customer health, safety, and well-being by providing high-quality and safe products/services that adhere to strict quality and safety standards.

<b>[MSM13] Health, Safety and Well-being (Customer)</b> Product safety and responsible customer protection.		
Scope: GROUP		
Target : Zero number of complaints and accident due to the product safety.	Performance: Number of complaints and accident due to the product safety: <b>Zero</b>	
Remarks: <ul style="list-style-type: none"> <li>Target achieved.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Monitor and analyse data on product safety and customer feedback to identify areas for improvement and take proactive measures to address them.</li> </ul>		

# SUSTAINABILITY STATEMENT

cont'd

Customer excellence drives profitable growth. To ensure the sustainable growth of our business, we prioritise the experience and satisfaction of our customers by delivering high-quality products and services.

<p><b>[MSM14] Customer Excellence: Professional Relationship Management</b> Customer services and support before, during, and after-sales. Our reputation and stakeholder relationship management.</p>	
<p>Scope: GROUP</p>	
<p>Target: Customer Relationship Management and Customer Survey Ratings: a) 3 stars and above - by 2024 b) 4 stars and above - by 2026</p>	<p>Performance of subsidiaries: Ranging from <b>3.0 to 4.6</b>.</p>
<p>Remarks:</p> <ul style="list-style-type: none"> <li>• Target is on-track for achievement.</li> </ul>	
<p>Moving Forward:</p> <ul style="list-style-type: none"> <li>• Provide training to employees to ensure they have the skills and knowledge to deliver excellent customer service.</li> <li>• Engage with all stakeholders to identify and improve areas of concern.</li> </ul>	

## CREATE – Empowerment of Employees in Workplace:

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

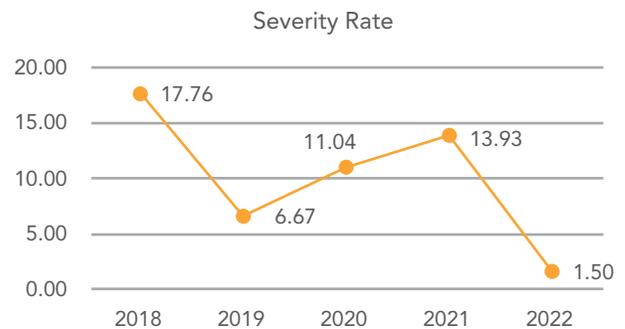
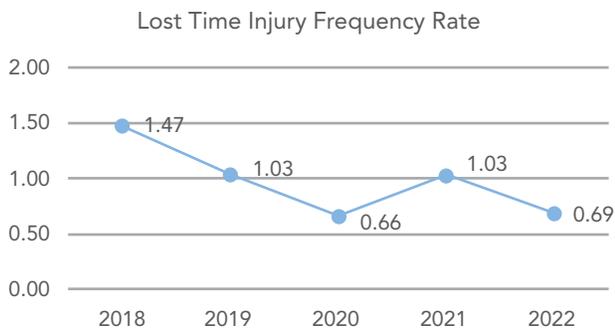
We prioritise the health, safety, and well-being of our workforce and workplace by adhering to the highest standards. We are committed to continually improving our health and safety performance.

# SUSTAINABILITY STATEMENT

cont'd

<b>[MSM15] Health, Safety and Well-being (Occupational)</b> Working towards a healthier and safer workplace.		
Scope: GROUP		
Target No.1: a) Zero fatalities case.	Performance No.1: a) No. of fatality case: Zero	
Target No.2: b) Yearly 10% reduction for Lost Time Injury Frequency Rate ("LTIFR") and Severity Rate ("SR").	Performance No.2: b.1) LTIFR = <b>0.69</b> Compared to FYE2021: ↓ <b>33%</b>  b.2) SR = <b>1.50</b> Compared to FYE2021: ↓ <b>89%</b>	
Target No.3: c) 2 training hours per employee on health and safety standards.	Performance No.3: c) Training hours of safety training: 2.65	
Target No. 4 d) 100% of employees trained on health and safety standards from year 2023.	Performance No.4: d) N/A	
Remarks: <ul style="list-style-type: none"> <li>All targets achieved.</li> </ul>		
Moving forward: <ul style="list-style-type: none"> <li>Ensure 100% of employees trained on health and safety standards.</li> <li>Safety and Health Committees to continue meeting on a regular basis to review the safety and health related matters.</li> </ul>		

In 2022, the LTIFR decreased by 33% and SR decreased by 89%, compared to 2021. Investigation into six (6) reported lost time injury cases found that inexperienced employees and personal health issues were the main contributing factors. To address this, we organised health awareness programmes, implemented supervision and hands-on training for new joiners as well as refresher courses for existing employees to update and reinforce previously acquired knowledge or skills.



# SUSTAINABILITY STATEMENT

cont'd

List of safety and health trainings provided to employees in 2022.

- Environmental Health and Safety Management Training
- Hazard Identification, Risk Assessment and Risk Control Training
- Incident Reporting and Investigation
- Emergency Response Team Briefing
- Fire Prevention Training
- Fire Drill
- Fire Extinguisher and Fire Fighting Training
- Electronic Scheduled Waste Information System Training
- Scheduled Waste Management Training
- Certificated Professional Scheduled Waste Training
- Awareness Talk
- Driving Safety Briefing
- Safety Induction
- Contractor Safety Briefing
- Noise Exposure Training
- Chemical Safety Training
- Ergonomic and Manual Handling Training

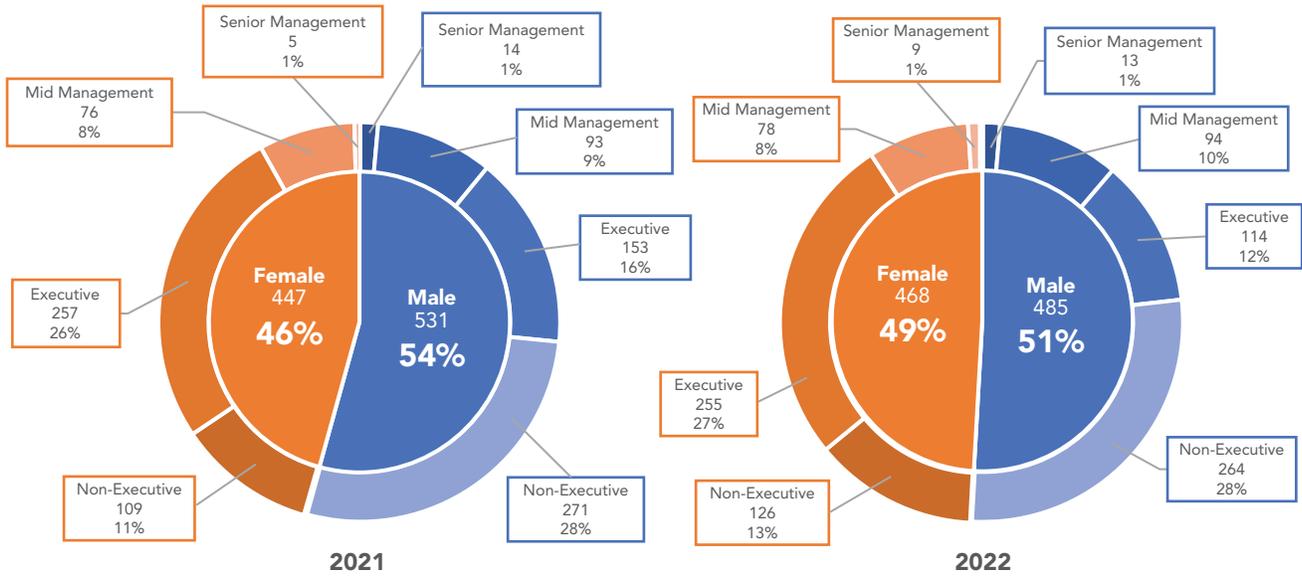
We value diversity, promote inclusiveness and provide equal opportunity at work. We uphold a culture of respect and fairness towards all our employees as well as evaluating and rewarding them based on their skills and contributions. Our goal is to create an inclusive and diverse culture that fosters innovation and collaboration, benefiting our customers and communities.

<b>[MSM16] Diversity, Equality and Inclusion</b> Our workplace promotes a diverse, inclusive, non-discriminating, fair and secure environment.		
Scope: GROUP		
Targets: a) Deviation of not more than 10% of employees by gender and age group by each employee category. b) At least 1 woman director any one point in time.	Performance: a) Deviation of <b>&lt;10%</b> for all employees from the ratio of year 2021. b) <b>Two (2)</b> women directors.	
Remarks: <ul style="list-style-type: none"> <li>• All targets achieved.</li> </ul>		
Moving forward: <ul style="list-style-type: none"> <li>• Measures to promote diversity and inclusiveness as well as provide equal opportunity.</li> </ul>		

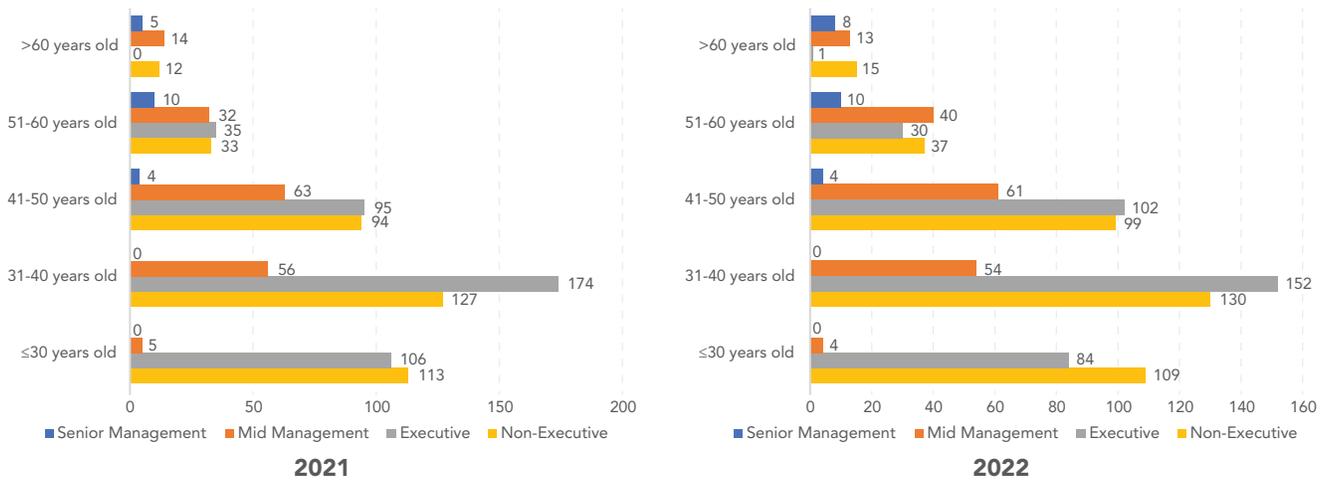
# SUSTAINABILITY STATEMENT

cont'd

## GENDER



## AGE



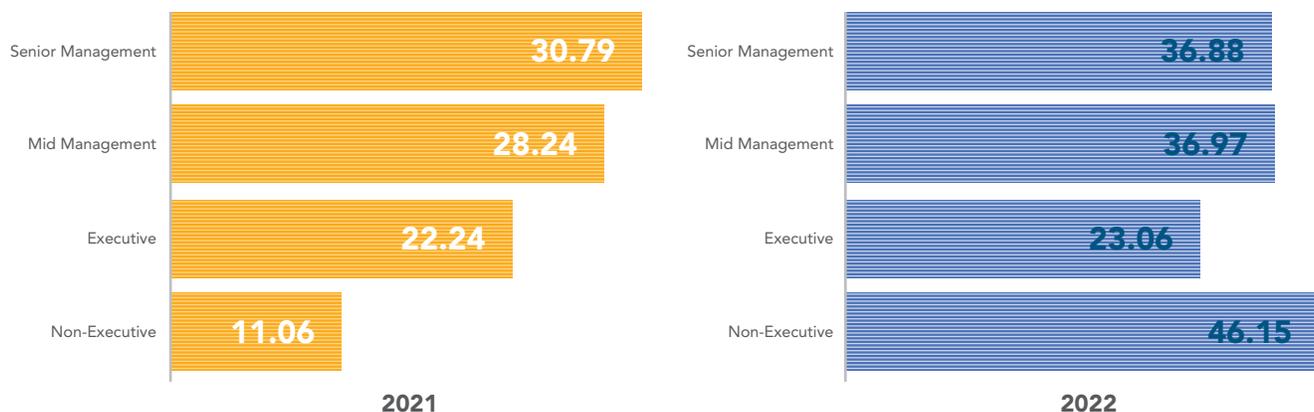
Our people are our greatest asset. We support their success through ongoing training and development programmes, creating a positive work environment that fosters growth, innovation and collaboration. We value and empower our employees to achieve their full potential.

# SUSTAINABILITY STATEMENT

cont'd

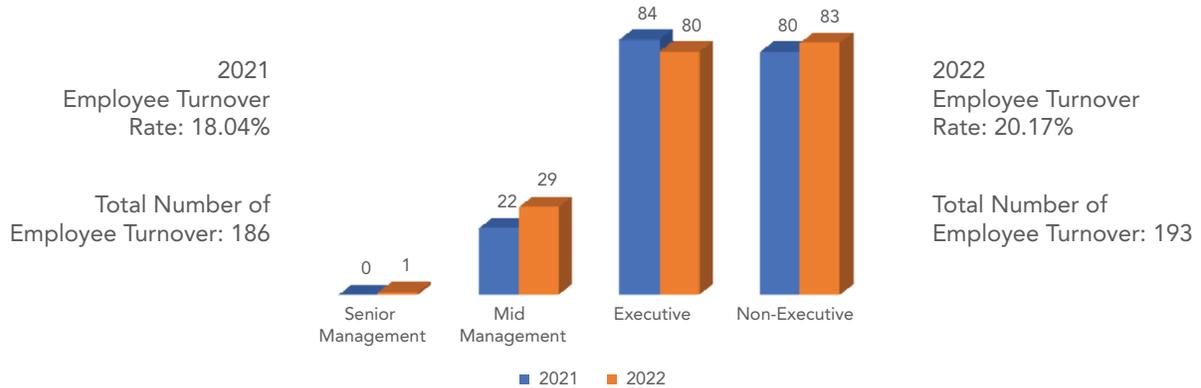
<b>[MSM17] Labour Practices and Standards</b> Employee skills, job experience, career development, engagement and empowerment.		
Scope: GROUP		
Targets: <ol style="list-style-type: none"> <li>20 hours of training per employee per year by employee category.</li> <li>No target set for percentage of employees that are contractors or temporary staff.</li> <li>No target set for total number of employee turnover by employee category.</li> <li>Zero substantiated complaints concerning human rights violations.</li> </ol>		
Total hours of training per employee per year by employee category: Senior Management: <b>36.88 hours</b> Mid-Management: <b>36.97 hours</b> Executive: <b>23.06 hours</b> Non Executive: <b>46.15 hours</b>		Number of substantiated complaints concerning human rights violation: <b>Zero</b>
Remarks: <ul style="list-style-type: none"> <li>All targets achieved.</li> </ul>		
Moving Forward: <ul style="list-style-type: none"> <li>Measures to enhance Learning Management System.</li> <li>Encourage employees to pursue further education and professional development opportunities through workshops, seminars, online courses and certifications.</li> <li>Regularly assess the effectiveness of the training programmes to ensure they are meeting the needs of the employees and the Group's goals.</li> </ul>		

## Total hours of training per employee per year



## SUSTAINABILITY STATEMENT

cont'd



### EMPLOYEE TRAINING, EDUCATION AND CAREER DEVELOPMENT



Learning Flexibility;  
Anytime & Anywhere

Track Learning Progress

Interactive

Various Learning Type

Recommend & Assign Course

As we move towards building a learning culture, each employee is expected and encouraged to take ownership and responsibility for their personal development in relation to their work. Our in-house Learning Management System - AIMS (Achievable Integrated Management System) allows our employees to register for training programmes, run e-learning modules, track employees' training hours and learning history and document the skills of employees.

By investing in these initiatives, we believe that the employees who have received training and education are better equipped to handle new challenges and opportunities, leading to improved performance and innovation and increased efficiency, productivity and profitability.

# SUSTAINABILITY STATEMENT

cont'd

## JOB OPPORTUNITIES FOR YOUNG TALENTS

In 2022, we recruited fresh graduates to join our workforce and engaged with a total of twenty four (24) interns in the various companies in the Group. We provided them with the required industrial trainings in our efforts to equip them with the necessary knowledge and skills for their future. Seven (7) of the interns have eventually become our permanent staff.

### Visitation of Institut Kemahiran Tinggi Belia Negara Chembong, Negeri Sembilan



### Visitation of Institut Kemahiran Tinggi MARA Jasin, Melaka



# SUSTAINABILITY STATEMENT

cont'd

## WORKPLACE WELLBEING ACTIVITIES IN 2022

The Group and its employee continued to organise various employee engagement initiatives to create a healthy and safe working environment and maintain a good relationship with each other.

### TCAM Monthly Assembly



Staff joined TCAM Monthly Assembly. Mini workouts led by staff.

### Monthly Birthday Star



Birthday babies of the month.

### Tiong Guan Festival



Celebration on August 2022 in TCIM Shah Alam.

### Chinese New Year Celebration



Celebrated with Lunch and YuSheng at HQ.

### Hari Raya Celebration



Hari Raya Lunch gathering at HQ.

### Christmas, Year End, New Year Dinner



HQ Gathering at a home café.

### TCAM Recycling Program



Staff connected with Persatuan Perkhidmatan Komuniti Taiping for cycle the waste.

### Fire Safety Training (1)



Fire Safety training to the staff.

### Fire Safety Training (2)



Raising awareness on type of fires and fire safety equipment.

### Hearing examination by OHD



Hearing examination to TCIM staff.

### Basic Occupational First Aid Training



Organized for staff to provide knowledge & basic life support skills.

### Thermographic Scanning



Conducted to maintain a safety environment.

# SUSTAINABILITY STATEMENT

cont'd

In 2022, although Malaysia was transitioning to the endemic phase, with the reopening of the various economic sectors and the government relaxing on the Standard Operating Procedures ("SOP"), the Group remained vigilant and continued to adhere to the COVID-19 SOP to reduce the risk of transmission and prevent our employees from being infected by the virus. We constantly monitored compliance with the COVID-19 SOP, and any non-compliance thereof by the employees would result in disciplinary actions.

The following measures were observed:

- Communications to our employees on awareness, precautions to be taken and guidelines on travel was conducted via emails and notices;
- Notices, hand sanitizers, thermal detection guns and masks were deployed as required;
- Regular cleaning and disinfection were carried out periodically;
- Business continuity plans/guidelines were put in place and/or implemented when the situation escalated to crisis mode;
- All SOP/ return to work guidelines were deployed and uploaded on the HR portal;
- Spot checks for all businesses were conducted to determine extent of compliance by all businesses, entities and at all locations;
- Maintained physical distancing in the office, meeting room and other common areas; and
- Daily self-declarations continued to be monitored.

## CONCLUSION

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

## PERFORMANCE DATA TABLE

PILLAR: GOVERNANCE	2021	2022	Target
<b>ANTI-CORRUPTION</b>			
a) Percentage of employees trained on anti-corruption by employee category (%). <i>Note: Total number of employees = 953 persons.</i>	100	100	100
b) Percentage of Directors trained on anti-corruption (%). <i>Note: Total number of directors = 7 persons.</i>	100	100	100
c) Percentage of Operations assessed for corruption-related risks (%).	100	100	100
d) Confirmed incidence of corruption and action taken.	0	0	0
<b>COMPLIANCE</b>			
a) Total monetary value of fines (Ringgit Malaysia).	8,195	20,451	0
b) Total number of non-monetary sanctions for non-compliance with laws and regulations.	0	0	0
<b>DATA PRIVACY AND SECURITY</b>			
a) Number of substantiated complaints, concerning breaches of customer privacy and losses of customer data.	0	0	0
b) Number of incidents of successful cyber-attack.	0	0	0

# SUSTAINABILITY STATEMENT

cont'd

PILLAR: ECONOMY	2021	2022	Target
<b>ECONOMY GROWTH</b>			
Revenue – Increment by yearly basis (%).	N/A	31.3	5.0
<b>SUPPLY CHAIN MANAGEMENT</b>			
Proportion of spending on local supplies (%).	92-100	92-100	N/A
<b>DIGITALISATION AND INNOVATION</b>			
Numbers of digitalisation and automation projects improving operational efficiency and effectiveness.	0	≥1	≥1
<b>CUSTOMER EXCELLENCE</b>			
Customer survey ratings by 2024			≥3
Customer survey ratings by 2026			≥4
Customer survey ratings via online and survey.	3.0-4.5	3.0-4.6	

PILLAR: ENVIRONMENTAL	2021	2022	Target
<b>EMISSION MANAGEMENT</b>			
a) Percentage of electric and hybrid vehicles and machineries in total fleet – Increment by yearly basis (%).	N/A	11.9	5
b) Percentage of electric and hybrid vehicles and machineries in total fleet by 2026 (%).	N/A	15.5	10
<b>WASTE</b>			
a) Total waste generated (Metric Tonnes)	76.1	74.1	N/A
b) Total waste diverted from disposal (Metric Tonnes)	73.2	67.9	N/A
c) Total waste diverted to disposal (Metric Tonnes)	2.9	6.2	N/A
<i>Note: This is applicable to Machinery Business only.</i>			
<b>ENERGY MANAGEMENT</b>			
a) Energy Intensity in Gigajoules consumed per revenue (Ringgit Malaysia) generated – Reduction by yearly basis (%).	N/A	17	5
b) Total energy consumption (Gigajoules).	26,104	28,440	N/A
<b>WATER</b>			
Total volume of water used (Megalitres).	24.28	28.41	N/A
<b>RESPONSIBLE CONSUMPTION (MATERIALS)</b>			
Number of sustainable tourism products, such as green hotels and eco-friendly products promoted - Minimum number	53	84	≥5
<i>Note: This is applicable to Travel Business only.</i>			
Number of product sample developed with sustainable materials - Minimum number.	3	2	≥2
<i>Note: This is applicable to Manufacturing Business only.</i>			
Ratio of used/ total vehicles and machineries rental (%).	47.3	60.6	60.0
<i>Note: This is applicable to Rental Business – Car and Machineries only.</i>			

# SUSTAINABILITY STATEMENT

cont'd

PILLAR: SOCIAL	2021	2022	Target
<b>COMMUNITY INVESTMENT</b>			
a) Total number of CSR activities	4	14	10
b) Total amount invested in the community for external beneficiaries (Ringgit Malaysia)			
<i>Note: RM100,000 has been budgeted for community investment.</i>	500	6950	N/A
c) Total number of external beneficiaries of the investment in communities.	142	107	N/A
<b>HEALTH, SAFETY AND WELL-BEING (CUSTOMER)</b>			
a) Number of complaints and accident due to the product safety.	0	0	0
<b>HEALTH, SAFETY AND WELL-BEING (OCCUPATIONAL)</b>			
a) Number of work-related fatalities.	0	0	0
b.1.1) Lost time incident frequency rate (LTFIR)	1.03	0.69	
b.1.2) Lost time incident frequency rate (LTFIR) – Percentage of reduction (%)	N/A	33	10
b.2.1) Severity rate (SR)	13.93	1.50	
b.2.2) Severity rate (SR) – Percentage of reduction (%)	N/A	89	10
c) Number of training hours per employee on health and safety standards.	N/A	2.65	2.00
d) Number of employees trained on health and safety standard.			
<i>Note: 100% of employees trained on health and safety standards from year 2023 onwards.</i>	N/A	N/A	N/A
<b>DIVERSITY, EQUALITY AND INCLUSION</b>			
a) Percentage of employees by gender and age group by each employee category – Deviation (%) from baseline			≤10
a.1) Percentage of employees by gender by each employee category (%).			
Senior Management (Male)	1.4	1.3 (-0.1)	
Senior Management (Female)	0.5	0.9 (+0.4)	
Mid-Management (Male)	9.5	9.6 (+0.1)	
Mid-Management (Female)	7.8	8.0 (+0.2)	
Executive (Male)	15.6	11.7 (-3.9)	
Executive (Female)	26.3	26.1 (-0.2)	
Non-Executive (Male)	27.7	27.0 (-0.7)	
Non-Executive (Female)	11.1	12.9 (+1.8)	

## SUSTAINABILITY STATEMENT

cont'd

PILLAR: SOCIAL	2021	2022	Target
<b>DIVERSITY, EQUALITY AND INCLUSION Cont.</b>			
a.2) Percentage of employees by age group (years old) by each employee category (%).			
Senior Management ( $\leq 30$ )	0.0	0.0	
Senior Management (31-40)	0.0	0.0	
Senior Management (41-50)	0.4	0.4	
Senior Management (51-60)	1.0	1.0	
Senior Management ( $> 60$ )	0.5	0.8 (+0.3)	
Mid-Management ( $\leq 30$ )	0.5	0.4 (-0.1)	
Mid-Management (31-40)	5.7	5.7	
Mid-Management (41-50)	6.4	6.4	
Mid-Management (51-60)	3.3	4.2 (+0.9)	
Mid-Management ( $> 60$ )	1.4	1.4	
Executive ( $\leq 30$ )	10.8	8.8 (-2.0)	
Executive (31-40)	17.8	15.9 (-1.9)	
Executive (41-50)	9.7	10.7 (-1.0)	
Executive (51-60)	3.6	3.1 (-0.5)	
Executive ( $> 60$ )	0.0	0.1 (+0.1)	
Non-Executive ( $\leq 30$ )	11.6	11.4 (-0.2)	
Non-Executive (31-40)	13.0	13.6 (+0.6)	
Non-Executive (41-50)	9.6	10.4 (+0.8)	
Non-Executive (51-60)	3.4	3.9 (+0.5)	
Non-Executive ( $> 60$ )	1.2	1.6 (+0.4)	

# SUSTAINABILITY STATEMENT

cont'd

PILLAR: SOCIAL	2021	2022	Target
b.1) Directors by gender.			
Male (Number)	5	5	
Female (Number)	2	2	
Male (Percentage %)	71	71	
Female (Percentage %)	29	29	
b.2) Percentage of directors by age group (%).			
41-50	14	14	
51-60	14	14	
>60	72	72	
<b>LABOUR PRACTICES AND STANDARDS</b>			
Average hours of training per employee.	19.1	35.3	
Total training hours	18,675	33,681	
a) Total training hours per employee per year by employee category:			20.0
Senior Management	30.79	36.88	
Mid-Management	28.24	36.97	
Executive	22.24	23.06	
Non-Executive	11.06	46.15	
b) Percentage of employees that are contractors or temporary staff (%).			N/A
Senior Management	0.5	0.9	
Mid-Management	1.5	1.8	
Executive	0.1	0.4	
Non-Executive	1.9	2.4	
c) Total number of employee turnover by employee category.			N/A
Senior Management	0	1	
Mid-Management	22	29	
Executive	84	80	
Non-Executive	80	83	
d) Number of substantiated complaints concerning human rights violations.	0	0	0

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board acknowledges the importance of adopting high standards of corporate governance in the Group in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Board believes having sound corporate governance practices 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 Corporate Governance Overview Statement provides an overview of the Company's application of the Principles set out in the Malaysian Code on Corporate Governance 2021 Edition ("MCCG") during the financial year under review and up to the date of this Statement. Details on how the Company has applied each of the Practices set out in the MCCG during the financial year 2022 are disclosed in the Corporate Governance Report, which is available for viewing 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 proper stewardship of WTCH Group's business and the creation of long-term and sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board sets the strategic direction for the Group, and ensures effective leadership through oversight of Management and robust monitoring of the activities and performance in the Group.

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

All members of the Board are aware of their responsibilities to take decisions objectively which promote the success of the Group for the benefits of shareholders and other stakeholders, besides safeguarding the interests of these stakeholders. The roles and responsibilities of the Board are clearly set out in the Board Charter, which is available on the Company's website at [www.warisantc.com.my](http://www.warisantc.com.my). 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 and Board Committees. The Board Charter was last reviewed by the Board in November 2021.

#### *Conflict of Interest Policy*

In managing conflict of interest situations including potential conflict of interest between any Director and the Company and/or any of its subsidiary, the Board has implemented a Conflict of Interest Policy to be observed by the Directors of all companies in the Group. This is to ensure Directors of the Company and its subsidiaries act in the best interest of the companies they represent and they must not place themselves in a position where their duties and personal interest conflict, without such conflicts, if any, being duly declared and with them abstaining from any deliberation of the matters concerned.

#### *Board's main responsibilities*

The key roles and responsibilities of the Board broadly cover the formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; promoting good corporate governance culture which reinforces ethical, prudent and professional behaviour; identifying and assessing the principal risks and ensuring the implementation of appropriate internal 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## *Sustainability Framework*

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

## *Board and Management-level Committees*

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee (“AC”) and Nominating and Remuneration Committee (“NRC”), to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision-making, however, lies with the Board. The members of both AC and NRC 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 Executive Team (as defined in the Board Charter) comprising the President (leader), Chief Executive Officer, Chief Financial Officer and other Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which include, amongst others, the achievement of the Group’s goals and observance of Management authorities delegated by the Board, developing business plans which are aligned to the Group’s requirements for growth, profitability and return on capital to be achieved, ensuring cost efficiencies in business operations, overseeing development of human capital and ensuring members of the Board have the information necessary to discharge their fiduciary duties and other governance responsibilities.

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

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

The President assumes the position of the Chairman of the Board. As Chairman, he is responsible for ensuring the adequacy and effectiveness of the Board’s governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The Chairman also ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The Independent Non-Executive Directors, who comprise more than 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 process by bringing in the quality of detached impartiality.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## *Directors' Code of Ethics*

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

## *Anti-Bribery and Anti-Corruption Policy*

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

## *Special Complaint Policy*

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

## *Board meetings and access to information*

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified in accordance with the provisions of the Companies Act 2016 and MMLR of Bursa Securities, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries advise the Board on governance matters, ensuring there is an effective system of corporate governance in place.

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

Name	No. of Board Meetings Attended	Percentage of Attendance (%)
Dato' Tan Heng Chew	7/7	100
Tan Keng Meng	7/7	100
Chin Ten Hoy (Retired on June 2022)	3/3	100
Chin Yen Song	7/7	100
Datuk Abdullah bin Abdul Wahab	7/7	100
Lee Min On	6/7	86
Soh Eng Hooi	7/7	100
Dato' Yunus bin Abd Razak (Appointed on 17 August 2022)	3/3*	100

Note: \* There were three (3) Board Meetings held subsequent to appointment of Dato' Yunus bin Abd Razak to the Board in respect of the financial year 2022.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## II. BOARD COMPOSITION

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

The Board currently has seven (7) members, comprising four (4) Independent Non-Executive Directors and three (3) Executive Directors. This composition fulfills the requirements as set out under the MMLR of Bursa Securities which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher must be independent. The Directors, with their diverse background and specialisation, collectively bring with them a wide range of experience and expertise in areas such as engineering, finance, accounting and audit, legislative and administration, corporate governance, risk management, corporate and financial planning, as well as marketing and operations. The profiles of the members of the Board are provided in the Annual Report.

### *Board Diversity Policy*

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

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

### *Directors' Fit and Proper Policy*

The Board has on 25 May 2022 adopted the Directors' Fit and Proper Policy which sets out the fit and proper criteria, approach, guidelines and procedures to ensure a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of companies in the Group. The Directors' Fit and Proper Policy is available on the Company's website at [www.warisantc.com.my](http://www.warisantc.com.my).

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

### *Board Nomination and Election Process*

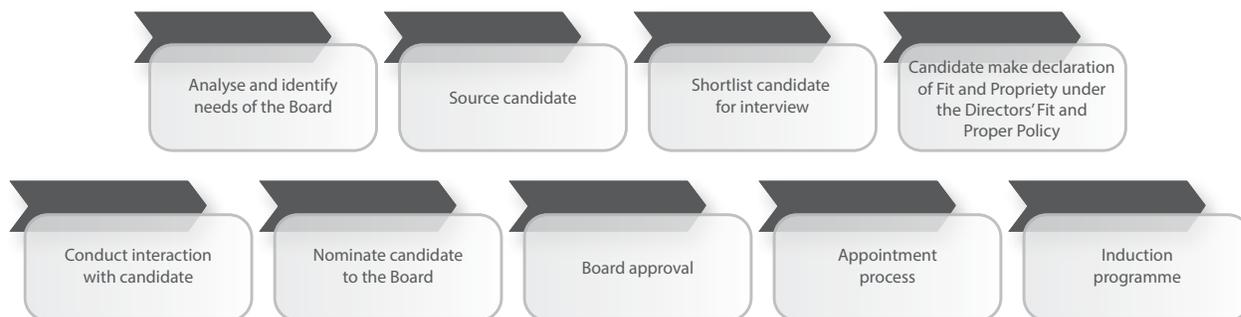
The NRC is entrusted by the Board to assess the adequacy and appropriateness of Board composition, identify and recommend suitable candidates for Board membership. The NRC also assesses annually the performance of the Board, Board Committees and individual Directors; succession plans; Board diversity,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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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



The NRC met on 2 August 2022 and assessed the suitability of Dato' Yunus bin Abd Razak for appointment as an Independent Non-Executive Director of the Company based on the Directors' Fit and Proper Policy, which encompassed his character, professionalism and integrity as well as his skills, competence, expertise, experience and time commitment. The NRC viewed that Dato' Yunus has the relevant experience, credentials and expertise and would be able to discharge his duty as an Independent Non-Executive Director of the Company and recommended Dato' Yunus to the Board for appointment as an Independent Non-Executive Director. The Board having considered the recommendations of the NRC approved the appointment of Dato' Yunus bin Abd Razak as an Independent Non-Executive Director of the Company on 17 August 2022.

## Board Evaluation

The Board, through the NRC, conducts an annual review of the Board, Board Committees and individual Directors using a set of questionnaires adopted from the Corporate Governance Guide 4<sup>th</sup> Edition. For the financial year under review, the self and peer evaluations were conducted via the use of assessment forms, comparing existing corporate governance practices and activities against the relevant terms of reference, practices and guidance of the MCCG and MMLR. The Board, Board Committees and individual Directors were assessed based on criteria covering, amongst others, composition and structure, mix of skills, experiences, competencies, personality, diversity, contribution and performance and meeting administration and conduct.

Based on the assessment conducted on 12 January 2023, the NRC concluded that the Board composition was optimal to meet the Company's needs and that each Director has the requisite competence and capability to serve on the Board. The NRC also noted that the Directors have sufficiently demonstrated their commitments to the Board in terms of time and participation during the year under review, and accordingly recommended to the Board the re-election of the retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). The assessment was facilitated by our in-house Group Secretarial Department. All assessments and evaluations conducted by the NRC in the discharge of its functions were duly documented.

The Board Charter provides for a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director. Thereafter, the Director may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director after the latter has served a cumulative term of nine (9) years, the Board must justify and disclose such decision and seek shareholders' approval at the AGM. Following an assessment and recommendation by the NRC, the Board had obtained Shareholders' approval at the 25<sup>th</sup> AGM held on 2 June 2022 that Datuk Abdullah bin Abdul Wahab who had served as Independent Non-Executive Director for a cumulative term of more than nine (9) years continued to be designated as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

The NRC had assessed the independence of all Independent Non-Executive Directors for the financial year 2022 based on criteria set out in Paragraph 1.01 of the MMLR and Practice Note 13 of Bursa Securities and concluded that they have satisfied the criteria except for Datuk Abdullah bin Abdul Wahab, who was appointed to the Board on 3 March 2008, and had exceeded a cumulative term of 12 years as an Independent Director since 3 March 2020. Due to the 12-year limitation imposed by Bursa Securities in its MMLR effective 1 June 2023 on the tenure of Independent Directors as one of the criteria to determine independence, Datuk Abdullah bin Abdul Wahab will not be able fulfil that independence criterion. Nonetheless, the NRC had deliberated and concluded that Datuk Abdullah bin Abdul Wahab, due to his experience and ongoing contribution to the Group, would be in a position to be redesignated as a Non-Independent Non-Executive Director, subject to Board's approval.

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

## *Directors' trainings*

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. The Board through the NRC, evaluates the training needs of its Directors annually and ensures that they undertake relevant professional development programmes. 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, the implications of the requirements on Directors and the Company.

All Directors of the Company, including Dato' Yunus bin Abd Razak who joined the Board on 17 August 2022, have completed the Mandatory Accreditation Programme ("MAP") as required by the MMLR of Bursa Securities. During the financial year under review, all Directors of the Company attended trainings, which included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies details of which are as follows:

Directors	Details of Program
Dato' Tan Heng Chew	<ul style="list-style-type: none"> <li>■ KPMG PLT: Malaysian Financial Reporting Standards ("MFRS") 2021 Updates and Updated MCCG 2021</li> <li>■ TC iTech Sdn. Bhd. ("TC iTech"): Tan Chong Group's IT Systems &amp; Infrastructure</li> <li>■ APM Automotive Holdings Berhad ("APM"): Tax Corporate Governance Framework and Guidelines</li> <li>■ APM: Sustainability Governance &amp; Operationalising Sustainability - What it all means to the APM Group</li> <li>■ TC iTech: Cybersecurity Awareness</li> <li>■ Tan Chong Motor Holdings Berhad ("TCMH")/APM/WTCH: Briefing on the Annual Assessment of the Board, Board Committees, Individual Directors, Key Officers, Internal Audit Function &amp; External Auditors</li> <li>■ WTCH's Group Risk Management ("GRM") Department: Corporate Liability Provision (Section17A) of the MACC Act 2009</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

Directors	Details of Program
Tan Keng Meng	<ul style="list-style-type: none"> <li>■ Tricor Axcelasia Sdn Bhd ("Tricor Axcelasia"): Sustainability and Environmental, Social and Governance Training</li> <li>■ TCMH's GRM Department: Corruption Risk Assessment Workshop @ Year 2022</li> <li>■ WTCH's GRM Department: Corporate Liability Provision (Section17A) of the MACC Act 2009</li> <li>■ Bursa Securities: Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers</li> <li>■ WTCH: Sustainability Governance &amp; Operationalising Sustainability - What it all means to the WTCH Group</li> <li>■ TC iTech: Cyber Security Awareness Training for the Board of WTCH and TCMH</li> <li>■ WTCH's Group Environment, Health and Safety ("EHS") Committee: WTCH's EHS Management Training</li> <li>■ TCMH's GRM Department: Awareness on TCMH Sustainability Strategy - Driving Resilience (2023 to 2027)</li> <li>■ Mazars PLT: Tax Corporate Governance Framework Briefing</li> <li>■ WTCH's GRM Department: GRM Anti-Corruption Due Diligence</li> <li>■ TCMH/APM/WTCH: Briefing on the Annual Assessment of the Board, Board Committees, Individual Directors, Key Officers, Internal Audit Function &amp; External Auditors</li> </ul>
Chin Yen Song	<ul style="list-style-type: none"> <li>■ Institute of Corporate Directors Malaysia : Mandatory Accreditation Programme</li> <li>■ WTCH: Sustainability Governance &amp; Operationalising Sustainability - What it all means to the WTCH Group</li> <li>■ Tricor Axcelasia: Sustainability and Environmental, Social and Governance Training</li> <li>■ WTCH's GRM Department: Corporate Liability Provision (Section17A) of the MACC Act 2009</li> <li>■ Bursa Securities: Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers</li> <li>■ TC iTech: Cyber Security Awareness Training for the Board of WTCH and TCMH</li> <li>■ TCMH/APM/WTCH: Briefing on the Annual Assessment of the Board, Board Committees, Individual Directors, Key Officers, Internal Audit Function &amp; External Auditors</li> </ul>
Datuk Abdullah bin Abdul Wahab	<ul style="list-style-type: none"> <li>■ WTCH: Sustainability Governance &amp; Operationalising Sustainability - What it all means to the WTCH Group</li> <li>■ Tricor Axcelasia: Sustainability and Environmental, Social and Governance Training</li> <li>■ WTCH's GRM Department: Corporate Liability Provision (Section17A) of the MACC Act 2009</li> <li>■ TC iTech: Cyber Security Awareness Training for the Board of WTCH and TCMH</li> <li>■ Securities Commission Malaysia: Securities Audit Oversight Board Conversation with Audit Committees</li> <li>■ TCMH/APM/WTCH: Briefing on the Annual Assessment of the Board, Board Committees, Individual Directors, Key Officers, Internal Audit Function &amp; External Auditors</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

Directors	Details of Program
Lee Min On	<ul style="list-style-type: none"> <li>■ KPMG PLT: MFRS 2021 Updates and Updated MCCG 2021</li> <li>■ Bursa Securities: TCFD Climate Disclosure Training Programme</li> <li>■ TC iTech: Tan Chong Group's IT Systems &amp; Infrastructure</li> <li>■ APM: Tax Corporate Governance Framework and Guidelines</li> <li>■ Bursa Securities: Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers</li> <li>■ WTCH : Sustainability Governance &amp; Operationalising Sustainability - What it all means to the WTCH Group</li> <li>■ TC iTech: Cyber Security Awareness Training for the Board of WTCH and TCMH</li> <li>■ TCMH: Sustainability Governance &amp; Operationalising Sustainability - What it all means to the TCMH Group</li> <li>■ Lead Women Sdn. Bhd.: Bursa Malaysia Immersive Session: The Board "Agender"</li> <li>■ Securities Commission Malaysia: Securities Audit Oversight Board Conversation with Audit Committees</li> <li>■ TCMH/APM/WTCH: Briefing on the Annual Assessment of the Board, Board Committees, Individual Directors, Key Officers, Internal Audit Function &amp; External Auditors</li> </ul>
Soh Eng Hooi	<ul style="list-style-type: none"> <li>■ Malaysian Institute of Accountants (MIA): MIA Town Hall 2022 - Session 1 (Public Practice Sector)</li> <li>■ Tricor Axcelasia: Sustainability and Environmental, Social and Governance Training</li> <li>■ WTCH: Sustainability Governance &amp; Operationalising Sustainability - What it all means to the WTCH Group</li> <li>■ MIA: Webinar Series: Briefings on Technical Changes Affecting Financial Reporting</li> <li>■ Bursa Securities: Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers</li> <li>■ TC iTech: Cyber Security Awareness Training for the Board of WTCH and TCMH</li> <li>■ MIA: Audit Quality Enhancement Programme for SMPs</li> <li>■ MIA: International Standard on Quality Management Webinar 3.0 Powering Ahead</li> <li>■ Securities Commission Malaysia: Securities Audit Oversight Board Conversation with Audit Committees</li> <li>■ Institute of Corporate Directors Malaysia: Advocacy Dialogue on the Bursa Malaysia's Enhanced Sustainability Reporting Framework</li> <li>■ Tricor Hive Sdn Bhd: Preparing for Corporate Liability Provision (New Section 17A of MACC Act 2009 [Amended 2018])</li> <li>■ TCMH/APM/WTCH: Briefing on the Annual Assessment of the Board, Board Committees, Individual Directors, Key Officers, Internal Audit Function &amp; External Auditors</li> <li>■ WTCH's GRM Department: Corporate Liability Provision (Section 17A) of the MACC Act 2009</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

Directors	Details of Program
Dato' Yunus bin Abd Razak (Appointed on 17 August 2022)	<ul style="list-style-type: none"> <li>■ Geological Society of Malaysia and Institute of Geology Malaysia: Seminar on Mining Geology &amp; Mineral Resources in supporting the growth and development of Malaysia and the Region</li> <li>■ Department of Mineral and Geoscience Malaysia: 10<sup>th</sup> SIMPOMIN 2022- Non-Radioactive Rare Earth Elements (NR:REE)</li> <li>■ Institute of Geology Malaysia: Forum on Debris Flow</li> <li>■ Geological Society of Malaysia: Rainfall induced landslides in Malaysia</li> <li>■ Institute of Geology Malaysia: Rockfall assessment and mitigation- Some Case Studies from SE Asia</li> <li>■ TC iTech: Cyber Security Awareness Training for the Board of WTCH and TCMH</li> <li>■ Institute of Geology Malaysia: Malaysian Tin Placer Industry Rejuvenation &amp; Optimising Placer Mineral Resource and Ore Reserve</li> <li>■ Institute of Corporate Directors Malaysia: Mandatory Accreditation Programme</li> <li>■ Securities Commission Malaysia: Securities Audit Oversight Board Conversation with Audit Committees</li> <li>■ TCMH/APM/WTCH: Briefing on the Annual Assessment of the Board, Board Committees, Individual Directors, Key Officers, Internal Audit Function &amp; External Auditors</li> <li>■ WTCH's GRM Department: Corporate Liability Provision (Section17A) of the MACC Act 2009</li> </ul>

### III. REMUNERATION

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

#### *Policies and Procedures for the Remuneration of Directors and Senior Management*

In accordance with Practice 7.1 of the MCCG, the Board has developed pertinent Policies and Procedures for the Remuneration of Directors and Senior Management to align with business strategies and long-term objectives of the Group. The remuneration packages for Executive Directors and Senior Management are linked to their individual and Group performance, qualifications, experience, competence and scope of responsibility and geographic location where the personnel are based and are periodically benchmarked 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 2022 amounted to RM3,955,124 and RM2,706,977 respectively. Details of the remuneration for each of the Directors on a named basis are set out under Practice 8.1 of the Corporate Governance Report uploaded on the Company's website at [www.warisan.tc.com.my](http://www.warisan.tc.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## *Activities undertaken by Nominating and Remuneration Committee*

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

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of Directors who are due for retirement by rotation, for shareholders' approval at the forthcoming AGM;
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contributions of individual Directors as well as the Chief Financial Officer and Company Secretaries;
- Assessed Directors' training needs and acknowledged the training programmes attended by Directors as well as identified suitable training programmes to enhance Directors' skills;
- Assessed the term of office and performance of the AC and each of its members;
- Reviewed and recommended the appointment of an Independent Non-Executive Director to the Board;
- Reviewed 2022 Bonus and 2023 Salary Increment for employees of the Group; and
- Reviewed the renewal of Executive Service Contract for Senior Management.

## **PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **I. AUDIT COMMITTEE**

In assisting in the discharge of its duties on financial reporting, the Board has established an AC, comprising wholly Independent Non-Executive Directors with Ms. Soh Eng Hooi as the Committee Chairwoman. The members of the AC, collectively, are financially literate and are qualified to discharge their duties and responsibilities set out in the AC's Terms of Reference ("AC Charter") approved by the Board. They constantly keep abreast with relevant changes to financial reporting standards and pertinent issues which have a significant impact on financial reporting through regular updates from the external auditors and the Chief Financial Officer.

One of the key responsibilities of the AC in the AC 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 AC's responsibilities can be found in the AC Charter, which is annexed to the Board Charter and is available on the Company's website. A summary of the activities carried out in 2022 by the AC is set out in the Audit Committee Report of this Annual Report.

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

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the AC, 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 AC's pre-approval before such services are contemplated.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

The Board has put in place a structured framework to enable Management 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 Management 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 Statement on Risk Management and Internal Control included in this Annual Report.

In line with the MCGG and the MMLR of Bursa Securities, the Board has established an in-house Group Internal Audit Department ("GIA"), which reports directly to the AC on the adequacy and operating effectiveness of the Group's system of risk management and internal control. All internal audits 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 AC. The scope of work covered by the GIA during the financial year under review is set out in the Statement on Risk Management and Internal Control included in this Annual Report.

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

### I. ENGAGEMENT WITH STAKEHOLDERS

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

Shareholders and other stakeholders of the Company, as the case may be, are provided with accurate and timely dissemination of information via the Annual Reports, circulars to shareholders, quarterly financial reports and the various announcements which 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.

#### *Corporate Disclosure Policy and Procedures*

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## II. CONDUCT OF GENERAL MEETINGS

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

In line with the MCGG, the Company despatched the notice of the 25<sup>th</sup> AGM to its shareholders at least 28 days before the AGM. As a measure to safeguard the wellbeing of shareholders, the 25<sup>th</sup> AGM which was held on 2 June 2022 was conducted virtually through live streaming from 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. During the 25<sup>th</sup> AGM, the Chairman of the meeting ensured that 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 shareholders were encouraged to pose and submit questions electronically in advance of the 25<sup>th</sup> AGM or submit their questions using the query box to transmit their questions during the Meeting for the Board to respond.

The Chief Executive Officer presented at the 25<sup>th</sup> AGM the Group's financial performance, some key initiatives and business outlook for the year. The Directors and Senior Management responded to all questions submitted and provided clarification as required by the shareholders. The full minutes of the 25<sup>th</sup> AGM, including the Company's responses to questions posed by shareholders before and during the AGM, are available on the Company's website.

All resolutions set out in the notice of the 25<sup>th</sup> AGM were voted by poll in accordance with the MMLR of Bursa Securities. The Board adopted an electronic voting process for polling at the last AGM to facilitate greater shareholders' participation, enabling efficiency in the voting process as well as ensuring transparency and accuracy of the voting results.

This Corporate Governance Overview Statement is dated 5 April 2023.

# AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2022.

## COMPOSITION AND MEETINGS

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

Name	Designation	Attendance
Soh Eng Hooi <i>Independent Non-Executive Director</i>	Chairwoman	5/5
Datuk Abdullah bin Abdul Wahab <i>Independent Non-Executive Director</i>	Member	5/5
Lee Min On <i>Independent Non-Executive Director</i>	Member	5/5
* Dato' Yunus bin Abd Razak <i>Independent Non-Executive Director</i>	Member	2/2

**Note:**

\* Dato' Yunus bin Abd Razak was appointed as Member of the AC on 17 August 2022 and there were two (2) AC Meetings held subsequent to his appointment.

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

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

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

The AC Chairwoman has the right to require those who are in attendance to leave the room when matters to be discussed are likely to be hampered by their presence or confidentiality of matters that needs to be preserved.

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

In compliance with the MMLR of Bursa Securities, the AC Terms of Reference have been uploaded on the Company's website at [www.warisantc.com.my](http://www.warisantc.com.my).

# AUDIT COMMITTEE REPORT

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## SUMMARY OF WORK OF THE AUDIT COMMITTEE

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

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

### (1) Financial Reporting

- (a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on key material matters, which included the going concern assumption, and ensured the disclosures thereof complied with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the MMLR of Bursa Securities before recommending the same to the Board for approval to release the quarterly financial results to Bursa Securities;
- (b) Reviewed together with the External Auditors, the annual audited financial statements of the Company and of the Group before recommending the same to the Board for approval; and
- (c) Reviewed the impact of any changes in accounting policies and adoption of any new financial reporting standards, together with significant matters highlighted in the financial statements.

### (2) External and Internal Auditors

- (a) Reviewed the External Auditors' Audit Plan for the Company and Group, which outlined the External Auditors' responsibilities, key audit matters, scope of work, the potential key audit matters and focus areas, as well as non-audit services for the financial year ended 31 December 2022 and their fees;
- (b) Discussed and reviewed with the External Auditors, the results of their work and the auditors' report in relation to audit and accounting issues arising from the audit, including the impact of any new Malaysian Financial Reporting Standards on the results of the Company and Group;
- (c) Discussed and reviewed any areas for improvements in the internal control system of companies of the Group as highlighted by the External Auditors, including remedial measures agreed to be taken by Management to address the issues;
- (d) Considered the suitability and independence of the External Auditors by assessing, among others, the adequacy of their resources, timeliness of services, technical knowledge, experience, skills, independence and objectivity, their audit engagement and the competence of the audit team members assigned to the engagement. After having assessed the External Auditors in April 2023 and obtained written assurance from the External Auditors confirming their professional independence throughout the course of audit engagement, the AC was satisfied that the External Auditors were able to meet the audit requirements and statutory obligations of the Company as well as their independence and objectivity as External Auditors of the Company. In line with the MCCG, the AC also reviewed the Global Transparency Report of the external audit firm, particularly the information pertaining to the Malaysian firm, in respect of its governance and leadership structure, measures undertaken by the firm to uphold audit quality and manage risks. Following the outcome of such assessment, the AC recommended to the Board the re-appointment of Mazars PLT as External Auditors of the Company at the forthcoming AGM. The Board accepted the AC's recommendation for Mazars PLT's re-appointment as the External Auditors at the forthcoming AGM, subject to shareholders' approval;

# AUDIT COMMITTEE REPORT

cont'd

- (e) Private sessions were held with representatives of 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 AC on any matters noted during their audit without being beholden to Management's presence, particularly on areas which would require the focus of the AC pertaining to overseeing financial reporting;
- (f) Reviewed and approved the Internal Audit Plan for the financial year, focusing on the adequacy of scope and coverage of auditable areas, including the basis of scoping the areas to be audited and staffing requirements to ensure higher risk areas were identified for audit vis-à-vis the adequacy of resource availability;
- (g) Reviewed the Internal Audit scope to ensure the coverage encompassed internal controls on operations, financial, compliance and information technology processes relating to the Group based on the approved Internal Audit Plan;
- (h) Discussed and reviewed the major findings, areas requiring improvements and key significant internal audit matters raised by Group Internal Audit and Management's responses thereto, including follow-up on the status of actions taken by Management to address issues raised in previous internal audits. Management of the respective business units where internal audit issues were raised and who attended the AC meetings to provide further explanations to the AC, were entrusted to formulate action plans to improve internal control procedures and workflow processes based on the Group Internal Audit's recommendations;
- (i) Reviewed the independence, performance, competence and effectiveness of the Group Internal Audit function; and
- (j) Held a private session with the Head of Group Internal Audit without the presence of Executive Directors, Senior Management and Committee Secretaries. This session provided a platform for the Head of Group Internal Audit to discuss with the AC on areas of professional reservations he might have, including limitation to his scope of work by Management during internal audit, if any.

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

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

## (4) Other Matters

- (a) Reviewed the Circular to Shareholders in relation to shareholders' mandate on RRPTs and the review procedures of RRPTs, Audit Committee Report, Statement on Risk Management and Internal Control and Sustainability Report for inclusion in this Annual Report to ensure compliance with the relevant regulatory reporting requirements prior to recommending the same to the Board for approval;
- (b) Reviewed the corporate risks scorecards of the Group and endorsed the action plans that were being implemented by Management of the various business divisions to mitigate the identified business risks to acceptable levels; and
- (c) Reviewed the Terms of Reference of the AC, Risk Management Policy and Procedures and Framework for Corruption Risk Assessment as well as the Fraud Prevention Policy and Special Complaint Policy and recommended the same for approval by the Board.

# AUDIT COMMITTEE REPORT

cont'd

## INTERNAL AUDIT FUNCTION AND ACTIVITIES

The AC is supported by an in-house Group Internal Audit Department (“GIA”), which reports functionally to the AC and is independent of the activities it audits. The GIA is headed by Mr. Khoo Choong Keat, a Certified Internal Auditor and Certified Fraud Examiner, who is assisted by two (2) internal audit personnel. For the financial year under review, all the internal audit team members have confirmed in writing that they were independent of Management and their objectivity had not been compromised in the course of their work. Relevant trainings were provided to all GIA team members to ensure they possess the necessary knowledge, skills, and other competencies to perform the audit engagement. All internal audits carried out during the financial year under review and up to the date of this Audit Committee Report were guided by the International Professional Practices Framework of The Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors.

GIA operates under a charter approved by the AC that provides the internal audit function a formal mandate to carry out its work, including 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 divisions within the Group, taking into consideration the key business risks faced by the Group. Internal audit activities are guided by an annual audit plan which is approved by the AC.

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

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

This Audit Committee Report is dated 5 April 2023.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

The Board is pleased to furnish the Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the system of risk management and internal control in the Group (comprising the Company and its subsidiaries) for the financial year ended 31 December 2022 and up to the date of this report. This Statement has considered and included the mandatory contents outlined in the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers", a publication of Bursa Securities, which provides guidance to listed issuers in preparing the Statement.

## BOARD'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

The Board has delegated the oversight of risk management and internal controls to the AC, which comprises four (4) Independent Non-Executive Directors. The Chief Executive Officer, who chairs the Risk Management and Sustainability Committee ("RMSC"), updates significant matters deliberated at the RMSC meeting to the Audit Committee and the Board, where comments are noted for follow-up, as appropriate.

## MANAGEMENT'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## RISK MANAGEMENT FRAMEWORK

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

- Establishment of the RMSC, headed by the Chief Executive Officer, which comprises key management personnel from the respective business units. The RMSC is entrusted with, amongst others, the responsibility to identify and communicate to the Board, through the AC, the principal business risks that the Group faces, their changes and management action plans to mitigate the risks and overseeing the performance in such areas and the extent of any action taken to address issues identified for improvement. Minutes of the RMSC meetings are presented to the AC and the Board for notation, including any questions that may be raised for clarification;
- Adoption of the Risk Management Policy and Procedures, which outline the Group's risk management framework, including practical guidance for operating personnel on risk management issues; and
- Periodic updates on the Risk Profile and Key Risk Indicator ("KRI") Dashboard by the heads of business unit ("HOBUs"). KRIs are developed for risks rated as "Moderate" and "High" by the business units. The KRIs are measured, tracked regularly and reported to the RMSC and the AC periodically. Appropriate triggering points are identified in the KRIs and, if triggered, action or treatment plans are initiated by HOBUs to address such risks to acceptable levels. The Group has adopted the ISO31000:2018's risk management process as depicted in the diagram below:



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

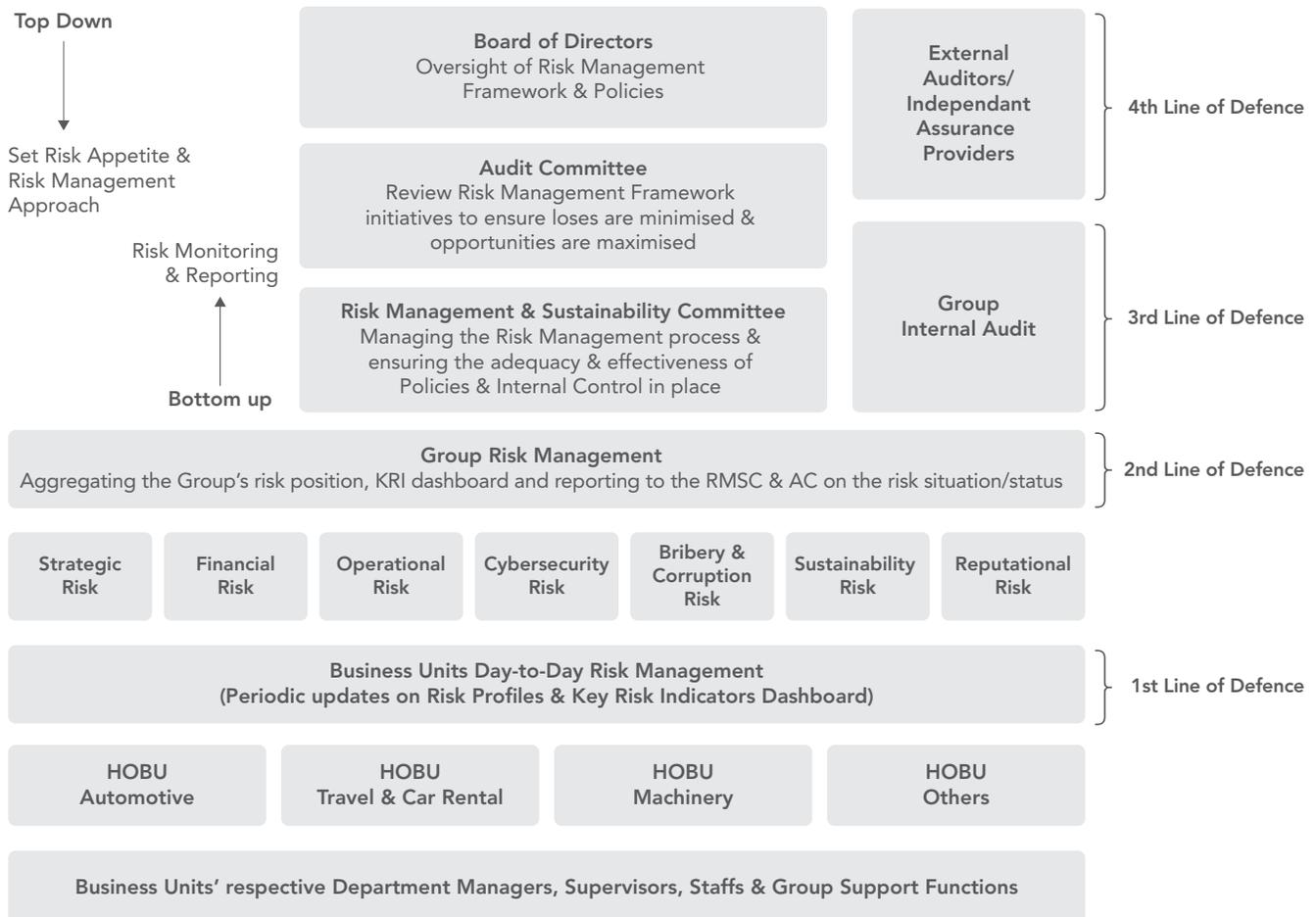
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Risk Champions are appointed from each business unit to co-ordinate with the GRM in implementing risk management initiatives for their respective business units. They work closely with their respective HOBUs to strengthen the risk management process within the Group by supporting the risk assessment process, monitoring and following up on action plans to be implemented.

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

During the financial year, the RMSC convened three (3) meetings to review emerging and existing key risks that affected the Group's business operations and the mitigating steps to address them. Focus was directed towards identifying and evaluating risks affecting strategies, finance, operations, cybersecurity, bribery and corruption risk, sustainability and reputation, including the measures implemented to mitigate them.

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



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

The various lines of defence are explained as follows:

- **First Line of Defence**  
Conduct of day-to-day activities and risk management actions by the business units, comprising the respective heads, department managers, supervisor staff and Group support functions;
- **Second Line of Defence**  
GRM ensures the policy and procedures on the Group's risk management framework are adhered to, including any business risks that are omitted as well as the appropriateness of risk ratings based on risk indicators;
- **Third Line of Defence**  
The in-house Internal Audit function ("Group Internal Audit") audits the operations of the business units and provides independent assurance on the effectiveness of the Group's system of risk management and internal control. The detailed remit and works carried out by the Group Internal Audit are elaborated in this Statement under the Internal Audit function below; and
- **Fourth Line of Defence**  
The External Auditors conduct an annual audit of the financial statements of the Group and Company; and report the outcome to the AC. Where weaknesses in internal controls or other matters are noted in their scope of work carried out, the External Auditors report to the AC their concerns and the associated implications, prompting Management to implement the necessary remedial measures.

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

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

## INTERNAL CONTROL SYSTEM

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

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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

The Board has also established a Group ABAC Policy, which is aligned with the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the MACC 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 so that corruption and bribery risks residing in the Group's operations are identified in a structured manner for reasonable and proportionate procedures to be implemented by Management to prevent their occurrence.

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

## INTERNAL AUDIT FUNCTION

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

Due to various stages of Movements Control Orders in 2022, where inter-state travelling was prohibited, certain internal audit assignments planned for branches located outside of the Klang Valley were postponed. The assignments were replaced by branches located in the Klang Valley.

Members of the Group Internal Audit are independent of the activities they audit, and they have no involvement in the operations that are being audited. In assessing their professional and financial independence, the Head of Group Internal Audit has confirmed to the AC that he and his team members were free from any relationship or conflict of interest which could impair their objectivity and independence.

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

- 1) Car Rental Division
  - Conducted the year-end stock count of vehicles at Mayflower Car Rental Sdn Bhd's Headquarter;
  - Reviewed branch operational controls at Mayflower Car Rental Sdn Bhd's Kuantan branch; and
  - Reviewed the non-accident repairs and routine vehicle maintenance of Mayflower Car Rental Sdn Bhd's Headquarter;
- 2) Machinery Division
  - Attended the year-end stock-take at Parts Department of TCIM Sdn Bhd's Headquarter in Shah Alam;
  - Attended the year-end stock-take at Service Store of TCIM Sdn Bhd's Headquarter in Shah Alam; and
  - Reviewed the control on issuance of service orders at Heavy Machinery Department at TCIM Sdn Bhd's Headquarter in Shah Alam;

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

- 3) Automotive Division
  - Attended Angka-Tan Motor Sdn Bhd's year-end stock-take activities, covering pick-up trucks, light commercial vehicles and heavy commercial vehicles and their accessories; and
  - Reviewed the incentive payment for direct purchase of motor vehicles at C2U and retail business at MUV Marketplace Sdn Bhd;
- 4) Consumer products business
  - Attended the year-end stock-take activities of joint-venture companies, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd;
- 5) Risk Management
  - Reviewed the adequacy and effectiveness of risk management processes at Angka-Tan Motor Sdn Bhd;
- 6) Captive Insurance
  - Mandatory audit, 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) Recurrent Related Party Transactions ("RRPTs")
  - Reviewed RRPTs to ensure that they were transacted on an arm's length basis and in line with the Shareholders' Mandate on RRPTs obtained at the last Annual General Meeting of the Company and the Group's Related Party Transactions Policy and Disclosure Framework.

The costs incurred for the Group Internal Audit function in respect of the financial year ended 31 December 2022 amounted to approximately RM445,000 (2021: RM475,000).

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

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

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the financial year ended 31 December 2022, and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

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

This Statement on Risk Management and Internal Control is dated 5 April 2023.

## ADDITIONAL COMPLIANCE INFORMATION

AS AT 5 APRIL 2023

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

**(i) Utilisation of proceeds**

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

**(ii) Audit and non-audit fees**

The amount of audit and non-audit fees incurred for the services rendered by the external auditors of the Company, Mazars PLT or a firm or company affiliated to the external auditors, to the Company and the Group respectively during the financial year ended 31 December 2022 were as follows:

	Group 2022 RM'000	Company 2022 RM'000
Statutory audit fees	385	39
Non-audit fees*	130	10

Note:

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

**(iii) Material contracts**

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

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

## SHARE CAPITAL

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

## ANALYSIS BY SIZE OF HOLDINGS (as per the Record of Depositors)

Size of Holdings	No. of Holders	%	No. of Shares Held	%
Less than 100	1,718	40.39	74,311	0.11
100 - 1,000	1,847	43.42	602,686	0.93
1,001 - 10,000	534	12.55	1,846,919	2.84
10,001 - 100,000	107	2.52	3,300,722	5.07
100,001 - 3,255,019*	45	1.06	27,555,753	42.33
3,255,020 and above**	3	0.07	31,720,009	48.72
<b>Sub-Total</b>	<b>4,254</b>	<b>100.00</b>	<b>65,100,400</b>	<b>100.00</b>

### Notes:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

Adjusted capital after excluding treasury shares

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

Name	Direct		Indirect	
	No. of Shares Held	% <sup>(1)</sup>	No. of Shares Held	% <sup>(1)</sup>
1. Dato' Tan Heng Chew	3,747,033	5.76	31,869,028	48.95 <sup>(2)</sup>
2. Tan Keng Meng	100	- <sup>(3)</sup>	-	-
3. Chin Yen Song	-	-	-	-
4. Datuk Abdullah bin Abdul Wahab	-	-	-	-
5. Soh Eng Hooi	-	-	-	-
6. Lee Min On	-	-	-	-
7. Dato' Yunus bin Abd Razak	-	-	-	-

### Notes:

<sup>(1)</sup> Percentage is based on total number of issued shares less treasury shares.

<sup>(2)</sup> Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd ("Wealthmark") pursuant to Section 8(4) of the Companies Act 2016 ("Act") and interest of spouse and children by virtue of Section 59(11)(c) of the Act.

<sup>(3)</sup> Less than 0.01%.

## ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

cont'd

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

Name	Direct		Indirect	
	No. of Shares Held	% <sup>(1)</sup>	No. of Shares Held	% <sup>(1)</sup>
1. Tan Chong Consolidated Sdn Bhd	23,446,509	36.02	-	-
2. Dato' Tan Heng Chew	3,747,033	5.76	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:

<sup>(1)</sup> Percentage is based on total number of issued shares less treasury shares.

<sup>(2)</sup> Deemed interest by virtue of interests in TCC and Wealthmark pursuant to Section 8(4) of the Act.

<sup>(3)</sup> Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.

### THIRTY LARGEST SHAREHOLDERS (as per the Record of Depositors)

Name	No. of Shares Held	% <sup>(1)</sup>
1. TAN CHONG CONSOLIDATED SDN BHD	21,004,909	32.27
2. CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)	6,317,100	9.70
3. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR WEALTHMARK HOLDINGS SDN BHD	4,398,000	6.76
4. TAN HENG CHEW	2,897,583	4.45
5. TAN CHONG CONSOLIDATED SDN BHD	2,371,600	3.64
6. PANG SEW HA @ PHANG SUI HAR	1,738,095	2.67
7. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KHOR SWEE WAH @ KOH BEE LENG (PB)	1,385,169	2.13
8. TAN BOON PUN	1,312,196	2.01
9. TAN BENG KEONG	1,157,003	1.78
10. KEY DEVELOPMENT SDN BERHAD	1,130,000	1.74
11. CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-TEMPATAN)	1,100,000	1.69
12. TAN BAN LEONG	1,055,307	1.62
13. TAN YING XIU	964,400	1.48
14. WONG YU @ WONG WING YU	891,500	1.37
15. WONG YU @ WONG WING YU	890,000	1.37
16. TAN HOE PIN	784,656	1.20

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

cont'd

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

Name	No. of Shares Held	% <sup>(1)</sup>
17. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN HENG CHEW (E-KLC)</i>	752,000	1.15
18. GAN TENG SIEW REALTY SDN BERHAD	692,500	1.06
19. UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK</i>	688,100	1.06
20. TAN CHEE KEONG	682,960	1.05
21. CHINCHOO INVESTMENT SDN BERHAD	583,700	0.90
22. TAN CHEE KEONG	474,043	0.73
23. TAN HOE PIN	442,405	0.68
24. SEGAMAT HOLDINGS SDN BHD	404,100	0.62
25. KEY DEVELOPMENT SDN BERHAD	358,900	0.55
26. CHAN KIM SENDIRIAN BERHAD	338,400	0.52
27. ASSOCIATED ABRASIVES SDN BHD	331,600	0.51
28. RENGU MALAY ESTATE SENDIRIAN BERHAD	330,000	0.51
29. CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)</i>	310,250	0.48
30. LAI SHWU YAN	288,500	0.44
<b>TOTAL</b>	<b>56,074,976</b>	<b>86.14</b>

Note:

<sup>(1)</sup> Percentage is based on total number of issued shares less treasury shares.

## GROUP PROPERTIES

AS AT 31 DECEMBER 2022

No	Location	Description	Land Area (sq. feet)	Built-up Area (sq. feet)	Tenure/ Expire Date	Net Book Value (RM million)	Age of Building (years)	Date of Acquisition	Year of Revaluation
1	18, Jalan Segambut Pusat 51200 Kuala Lumpur	Office & vehicle store yard	17,574	18,160	Leasehold 16.06.2067	7.5	46	01.10.1977	2020
2	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	24.6	30	20.12.1990	2020
3	43, Jalan IMJ 3 Taman Industry Malim Jaya 75050 Malacca	Office and workshop	11,087	3,700	Leasehold 18.11.2095	1.0	26	12.12.1996	2020
4	19, Jalan Bertam 8 Taman Daya 81100 Johor Bahru, Johor	Office and workshop	8,456	7,553	Freehold	1.6	30	20.05.2000	2020
5	Lot 1A, Jalan Kemajuan Seksyen 13 46200 Petaling Jaya, Selangor	Office and warehouse	94,596	33,900	Leasehold 10.06.2074	43.5	48	10.09.2004	2022
6	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	28.8	30	02.03.2004	2020
7	Lot 22, Ground Floor Wisma Sabah Jalan Tun Razak 88000 Kota Kinabalu, Sabah	Office lot	-	595	Leasehold 31.12.2071	0.6	45	23.10.2002	2020
8	No 3, Jalan Perusahaan Perkhidmatan Pengkalan Taman Pengkalan Maju 34700 Simpang, Taiping, Perak	Office building annexed with factory	72,646	57,464	Freehold	5.1	22	05.04.2007	2020
9	No 1, Jalan Metro Pudu Fraser Business Park off Jalan Yew 55100 Kuala Lumpur	Commercial shop office	2,902	16,296	Freehold	9.7	15	06.06.2008	2022
10	610 Jalan Nilai 3/15 Kawasan Perindustrian Nilai 3 71800 Nilai, Negeri Sembilan	Industrial building	3,003	3,003	Freehold	0.4	23	20.07.2004	2020
11	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	8.1	12	02.12.2009	2020
12	41, Jalan IMJ 3 Taman Industri Malim Jaya 75250 Malacca	Office and workshop	5,597	5,200	Leasehold 18.11.2095	0.6	26	22.12.2014	2020
13	No 3, Jalan IM 3/16 Bandar Indera Mahkota 25200 Kuantan, Pahang	Office and workshop	18,406	12,870	Leasehold 11.06.2062	2.3	14	28.10.2016	2020

## STATEMENT ON DIRECTORS' RESPONSIBILITY

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022, the Directors have:

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

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

## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022.

#### 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	(11,535)	1,981
Non-controlling interests	(975)	-
(Loss)/Profit for the financial year	(12,510)	1,981

#### DIVIDEND

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

#### SHARES AND DEBENTURES

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

#### SHARE OPTIONS

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

#### RESERVES AND PROVISIONS

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

#### TREASURY SHARES

At the Annual General Meeting held virtually on 2 June 2022, 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 2022, the Company held 2,099,600 shares as treasury shares out of its total issued and paid-up share capital.

# DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## SUBSIDIARIES

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

## DIRECTORS

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

Dato' Tan Heng Chew  
Tan Keng Meng  
Chin Yen Song  
Datuk Abdullah bin Abdul Wahab  
Lee Min On  
Soh Eng Hooi  
Dato' Yunus bin Abd Razak *(Appointed on 17 August 2022)*  
Chin Ten Hoy *(Retired on 2 June 2022)*

## LIST OF DIRECTORS OF SUBSIDIARIES

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

Ang Lay Bee  
Chin Ten Hoy  
Christopher Tan Kok Leong  
Datuk Saharudin bin Muhamad Toha  
Goh Kar Hua  
Ho Wai Ming  
Hout Kimmeng  
Lee Kim Hay @ Tong Ah See  
Lee King Soon  
Nicholas Tan Chye Seng  
Sai Chang Choon  
Tse Pei Chen  
Wong King Yoon  
Yap Kiam Beng  
Yeap Ling Weng  
Desmond Hang Chai Wei  
Tan Soon Huat  
Alagasan A/L Gadigaselam  
Tung Swee Har  
Ke Bee Kian  
Abdul Rahman bin Mohamed  
Lee Koon Seng  
Wan Chun Shong  
Cheng Mun Kean  
Chew Yoke Tong  
Ts. Low Teck Keong *(Appointed on 30 December 2022)*  
Ong Hua Ann *(Ceased on 1 November 2022)*  
Ng Kiat Seng *(Resigned on 30 December 2022)*

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 31.12.2022
	At 1.1.2022	Acquisition	Disposal	
<i>The Company</i>				
Dato' Tan Heng Chew				
- direct interest	4,481,433	30,000	(764,400) *	3,747,033
- indirect interest ^	27,844,509	-	-	27,844,509
- indirect interest #	2,995,419	1,016,200 **	-	4,011,619
Tan Keng Meng				
- direct interest	100	-	-	100

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

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

\* Transfer of 764,400 ordinary shares from Dato' Tan Heng Chew to his daughter, Ms. Tan Ying Xiu.

\*\* Consists of (i) purchase through direct business transaction of 251,800 ordinary shares by Mr. Nicholas Tan Chye Seng, son of Dato' Tan Heng Chew and (ii) transfer of 764,400 ordinary shares from Dato' Tan Heng Chew to his daughter, Ms. Tan Ying Xiu.

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

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

### DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director 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 shown in the financial statements or the fixed salary of a full-time employee of the Company, by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

### DIRECTORS' BENEFITS (continued)

Remuneration of the directors or past directors of the Company during the financial year:

	Group RM'000	Company RM'000
(a) Non-executive directors		
Fees	259	259
Allowances	83	83
Other short-term employee benefits	112	-
	454	342
(b) Executive directors		
Remuneration	2,912	1,918
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	6	-
Defined contribution plan	330	211
Post-employment benefit	253	236
	3,501	2,365
Total	3,955	2,707

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

### CONSOLIDATION OF A SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END

Due to the local requirements in Myanmar, MAT Transportation Solution (Myanmar) Company Limited ("MATTS"), a foreign subsidiary of the Company is adopting 31 March as its statutory financial year end, which does not coincide with that of the Company. The directors of the Company have been granted approval by Companies Commission of Malaysia under Section 247(3) of the Companies Act 2016 for MATTS to adopt a financial year end of 31 March, which does not coincide with that of the Company of 31 December. Management financial statements of MATTS made up to 31 December 2022 have been used for the purpose of preparing the consolidated financial statements of the Group.

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

### OTHER INFORMATION

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

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

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

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## AUDITORS

The total amounts of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company for the current financial year are RM636,000 and RM49,000, respectively.

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

## APPROVAL OF THE DIRECTORS' REPORT

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

**TAN KENG MENG**

Director

Kuala Lumpur

**CHIN YEN SONG**

Director

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD  
Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### *Opinion*

We have audited the financial statements of Warisan TC Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 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 106 to 184.

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 2022, 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 (including International Independence Standards) ("IESBA Code")*, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### *Key Audit Matters*

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

#### (a) Group

##### Valuation of 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 2022, the inventories of the Group stood at RM128,630,000. 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  
Registration No.: 199701009338 (424834-W) (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 obtained an understanding of the Group's process in estimating the net realisable value of the inventories; and the write down or write off of inventories, where applicable.
- We attended and observed the physical inventory count at the end of the financial year, including management's process in assessing the condition of inventories.
- We tested, on a sample basis, the inventories were carried at the lower of cost and net realisable value by comparing the selling price based on available evidence of the amount the inventories were expected to realise. The evidence obtained including prices or costs of transactions or events occurred after the end of the financial year.
- We tested, where applicable, the adequacy of write down or write off of inventories which were assessed by management as slow moving, damaged or obsolete items, on a sample basis.

## (b) Company

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

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

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

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

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

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

## *Responsibilities of the Directors for the Financial Statements*

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, 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.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD

Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)

cont'd

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

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

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

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

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

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

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

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD  
Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)  
cont'd

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

## OTHER MATTER

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

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

**CHONG FAH YOW**  
03004/07/2024 J  
Chartered Accountant

Kuala Lumpur

5 April 2023

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	187,160	194,196
Right-of-use assets	6	26,230	24,210
Investment property	7	43,500	43,500
Investments in associates	9	570	497
Investments in jointly controlled entities	10	34,748	30,760
Intangible assets	11	10,867	10,715
Deferred tax asset	12	5,216	6,098
Finance lease receivables	13	663	2,669
Other investments	14	456	186
<b>TOTAL NON-CURRENT ASSETS</b>		<b>309,410</b>	<b>312,831</b>
<b>CURRENT ASSETS</b>			
Inventories	15	128,630	133,840
Trade and other receivables	16	125,141	111,092
Derivative financial asset	26	263	11
Current tax asset		6,990	3,159
Short term deposits	17	2,749	4,434
Fixed deposits	18	37,163	50,133
Cash and bank balances		43,926	47,646
<b>TOTAL CURRENT ASSETS</b>		<b>344,862</b>	<b>350,315</b>
<b>TOTAL ASSETS</b>		<b>654,272</b>	<b>663,146</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

cont'd

	Note	2022 RM'000	2021 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	19	67,200	67,200
Treasury shares	20	(4,213)	(4,213)
Merger reserve	21(a)	(40,999)	(40,999)
Translation reserve	21(b)	2,962	2,939
Hedging reserve	21(c)	(539)	(253)
Revaluation reserve	21(d)	67,285	67,811
Retained earnings		142,420	149,698
Total equity attributable to owners of the Company		234,116	242,183
Non-controlling interests		22,118	23,093
<b>TOTAL EQUITY</b>		256,234	265,276
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	6	2,937	388
Loans and borrowings	22	3,504	5,415
Retirement benefits obligation	23	8,313	12,071
Deferred tax liability	12	15,162	15,912
<b>TOTAL NON-CURRENT LIABILITIES</b>		29,916	33,786
<b>CURRENT LIABILITIES</b>			
Contract liabilities	24	11,321	10,447
Trade and other payables	25	123,675	131,347
Lease liabilities	6	3,296	3,091
Loans and borrowings	22	227,691	217,735
Current tax liability		1,167	1,122
Derivative financial liability	26	972	342
<b>TOTAL CURRENT LIABILITIES</b>		368,122	364,084
<b>TOTAL LIABILITIES</b>		398,038	397,870
<b>TOTAL EQUITY AND LIABILITIES</b>		654,272	663,146

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 2022

	Note	2022 RM'000	2021 RM'000
Revenue	27	480,424	361,965
Cost of sales		(390,638)	(290,867)
Gross profit		89,786	71,098
Other income and gains		3,572	5,041
Selling and distribution expenses		(36,001)	(31,144)
Administrative and general expenses		(66,592)	(62,887)
Loss from operations		(9,235)	(17,892)
Finance income	28	1,098	1,262
Finance costs	29	(7,531)	(6,774)
Net finance costs		(6,433)	(5,512)
Share of results of equity accounted associates, net of tax	9	(265)	(318)
Share of results of equity accounted jointly controlled entities, net of tax	10	4,539	(3,749)
Loss before tax	30	(11,394)	(27,471)
Tax expense	31	(1,116)	(6,232)
Loss for the financial year		(12,510)	(33,703)
<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 flows hedge		(286)	81
Exchange differences on translation of foreign operations		23	11
		(263)	92

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

	Note	2022 RM'000	2021 RM'000
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefits obligation		3,722	21
Share of other comprehensive income/(loss) of jointly controlled entities		9	(9)
		<hr/>	<hr/>
		3,731	12
		<hr/>	<hr/>
Other comprehensive income for the financial year		3,468	104
		<hr/>	<hr/>
Total comprehensive loss for the financial year		(9,042)	(33,599)
		<hr/>	<hr/>
<b>Loss for the financial year attributable to:</b>			
Owners of the Company		(11,535)	(32,445)
Non-controlling interests		(975)	(1,258)
		<hr/>	<hr/>
Loss for the financial year		(12,510)	(33,703)
		<hr/>	<hr/>
Basic and diluted loss per share (sen)	32	(18)	(50)
		<hr/>	<hr/>
<b>Total comprehensive loss for the financial year attributable to:</b>			
Owners of the Company		(8,061)	(32,341)
Non-controlling interests		(981)	(1,258)
		<hr/>	<hr/>
Total comprehensive loss for the financial year		(9,042)	(33,599)
		<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 2022

	←----- 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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	67,200	(4,213)	(40,999)	2,928	(334)	68,336	181,606	274,524	24,379	298,903
Loss for the financial year	-	-	-	-	-	-	(32,445)	(32,445)	(1,258)	(33,703)
Other comprehensive income for the financial year	-	-	-	11	81	-	12	104	-	104
Total comprehensive income/(loss) for the financial year	-	-	-	11	81	-	(32,433)	(32,341)	(1,258)	(33,599)
Acquisition of additional interest from non-controlling interests	-	-	-	-	-	-	-	-	(28)	(28)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(525)	525	-	-	-
At 31 December 2021	67,200	(4,213)	(40,999)	2,939	(253)	67,811	149,698	242,183	23,093	265,276
Loss for the financial year	-	-	-	-	-	-	(11,535)	(11,535)	(975)	(12,510)
Other comprehensive income/(loss) for the financial year	-	-	-	23	(286)	-	3,731	3,468	-	3,468
Total comprehensive income/(loss) for the financial year	-	-	-	23	(286)	-	(7,804)	(8,067)	(975)	(9,042)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(526)	526	-	-	-
At 31 December 2022	67,200	(4,213)	(40,999)	2,962	(539)	67,285	142,420	234,116	22,118	256,234

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
<b>OPERATING ACTIVITIES</b>			
Loss before tax		(11,394)	(27,471)
Adjustments for:			
Allowance for doubtful debts of other receivables	16(d)	4,060	-
Allowance for doubtful debts of trade receivables	16(c)	1,056	2,323
Amortisation of intangible assets	11	205	626
Bad debts written off		49	145
Depreciation of property, plant and equipment	5	38,008	40,072
Depreciation of right-of-use assets	6	4,848	4,106
Gain on disposal of assets held for rental		(7,274)	(6,389)
Gain on disposal of property, plant and equipment		(200)	(207)
Impairment loss on property, plant and equipment	5	-	140
Intangible assets written off	11	283	1,365
Interest expense	29	7,531	6,774
Interest income	28	(1,098)	(1,262)
Inventories written down	15(a)(ii)	1,221	2,832
Net unrealised (gain)/loss on foreign exchange		(222)	397
Property, plant and equipment written off	5	21	269
Retirement benefits expense	23	1,497	1,452
Reversal of allowance for doubtful debts	16(c)	(480)	(1,204)
Share of results of equity accounted associates	9	265	318
Share of results of equity accounted jointly controlled entities	10	(4,539)	3,749
Operating profit before working capital changes		33,837	28,035
Changes in inventories		3,989	(23,183)
Changes in receivables		(16,692)	(11,710)
Changes in payables		(16,788)	(5,801)
Cash generated from/(used in) operations		4,346	(12,659)
Acquisition of assets held for rental	5(b)	(27,573)	(23,938)
Interest received		792	778
Proceeds from disposal of assets held for rental		15,467	26,290
Retirement benefits paid	23	(358)	(272)
Tax paid, net of refunds		(5,855)	(6,717)
Net cash used in operating activities		(13,181)	(16,518)

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

	Note	2022 RM'000	2021 RM'000
<b>INVESTING ACTIVITIES</b>			
Acquisition of additional interest from non-controlling interests		-	(28)
Acquisition of intangible assets	11	(640)	(474)
Acquisition of other investments	14	(270)	(180)
Acquisition of property, plant and equipment	5(c)	(1,926)	(1,282)
Dividend received from jointly controlled entities	10	560	560
Interest received		306	484
Proceeds from disposal of property, plant and equipment		844	774
Subscription of additional shares in associates	9	(338)	-
Withdrawal/(Placement) of fixed deposits		2,398	(23,821)
Withdrawal of short term deposits		848	2,389
Net cash generated from/(used in) investing activities		1,782	(21,578)
<b>FINANCING ACTIVITIES (NOTE A)</b>			
Drawdowns of bankers' acceptances		154,588	123,856
Drawdowns of hire purchases		2,992	4,138
Drawdowns of revolving credits		221,435	206,000
Drawdowns of bank term loans		-	414
Interest paid		(7,229)	(6,518)
Repayments of bankers' acceptances		(160,392)	(93,038)
Repayments of bank term loans		(1,631)	(1,482)
Repayments of hire purchases		(6,674)	(11,022)
Repayments of lease liabilities		(4,534)	(3,827)
Repayments of revolving credits		(202,390)	(216,500)
Net cash (used in)/generated from financing activities		(3,835)	2,021
NET CHANGES IN CASH AND CASH EQUIVALENTS		(15,234)	(36,075)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		60,249	95,299
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS		(12)	1,025
CASH AND CASH EQUIVALENTS CARRIED FORWARD		45,003	60,249

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

	Note	2022 RM'000	2021 RM'000
Cash and cash equivalents comprise the followings:			
Short term deposits	17	2,749	4,434
Fixed deposits	18	37,163	50,133
Cash and bank balances		43,926	47,646
Bank overdrafts	22	(920)	(803)
		82,918	101,410
Less:			
Surplus funds placed in short term deposits		(2,749)	(3,597)
Surplus funds placed in fixed deposits		(35,166)	(37,564)
		45,003	60,249

Note (a):

## Reconciliation of liabilities arising from financing activities

	Bankers' acceptances RM'000	Hire purchases RM'000	Lease liabilities RM'000	Revolving credits RM'000	Bank term loans RM'000	Total RM'000
2022						
At 1 January	47,920	9,468	3,479	161,483	3,476	225,826

Cash flows:

Drawdowns of bankers' acceptances	154,588	-	-	-	-	154,588
Drawdowns of hire purchases	-	2,992	-	-	-	2,992
Drawdowns of revolving credits	-	-	-	221,435	-	221,435
Interest paid	(1,149)	(412)	-	(3,645)	(1,944)	(7,150)
Repayments of bankers' acceptances	(160,392)	-	-	-	-	(160,392)
Repayments of bank term loans	-	-	-	-	(1,631)	(1,631)
Repayments of hire purchases	-	(6,674)	-	-	-	(6,674)
Repayments of lease liabilities	-	-	(4,534)	-	-	(4,534)
Repayments of revolving credits	-	-	-	(202,390)	-	(202,390)
	(6,953)	(4,094)	(4,534)	15,400	(3,575)	(3,756)

Non-cash:

Addition of lease liabilities	-	-	6,986	-	-	6,986
Interest expense	1,149	412	302	3,645	1,944	7,452
	1,149	412	7,288	3,645	1,944	14,438
At 31 December	42,116	5,786	6,233	180,528	1,845	236,508

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

Note (a):

## Reconciliation of liabilities arising from financing activities (continued)

	Bankers' acceptances	Hire purchases	Lease liabilities	Revolving credits	Bank term loans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021						
At 1 January	17,102	16,352	4,572	171,983	4,544	214,553
<i>Cash flows:</i>						
Drawdowns of bankers' acceptances	123,856	-	-	-	-	123,856
Drawdowns of hire purchases	-	4,138	-	-	-	4,138
Drawdowns of revolving credits	-	-	-	206,000	-	206,000
Drawdowns of bank term loans	-	-	-	-	414	414
Interest paid	(695)	(661)	-	(4,571)	(507)	(6,434)
Repayments of bankers' acceptances	(93,038)	-	-	-	-	(93,038)
Repayments of bank term loans	-	-	-	-	(1,482)	(1,482)
Repayments of hire purchases	-	(11,022)	-	-	-	(11,022)
Repayments of lease liabilities	-	-	(3,827)	-	-	(3,827)
Repayments of revolving credits	-	-	-	(216,500)	-	(216,500)
	30,123	(7,545)	(3,827)	(15,071)	(1,575)	2,105
<i>Non-cash:</i>						
Addition of lease liabilities	-	-	2,478	-	-	2,478
Interest expense	695	661	256	4,571	507	6,690
	695	661	2,734	4,571	507	9,168
At 31 December	47,920	9,468	3,479	161,483	3,476	225,826

The accompanying notes form an integral part of the financial statements

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4	3
Investments in subsidiaries	8	152,357	150,963
Investments in jointly controlled entities	10	24,568	24,568
Deferred tax asset	12	363	375
<b>TOTAL NON-CURRENT ASSETS</b>		<b>177,292</b>	<b>175,909</b>
<b>CURRENT ASSETS</b>			
Other receivables	16	7,212	7,113
Current tax asset		3	2
Cash and bank balances		4,984	4,450
<b>TOTAL CURRENT ASSETS</b>		<b>12,199</b>	<b>11,565</b>
<b>TOTAL ASSETS</b>		<b>189,491</b>	<b>187,474</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	19	67,200	67,200
Treasury shares	20	(4,213)	(4,213)
Retained earnings		114,146	111,887
<b>TOTAL EQUITY</b>		<b>177,133</b>	<b>174,874</b>
<b>NON-CURRENT LIABILITIES</b>			
Retirement benefits obligation	23	1,516	1,882
Other payables	25	5,189	5,189
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,705</b>	<b>7,071</b>
<b>CURRENT LIABILITY</b>			
Other payables	25	5,653	5,529
<b>TOTAL LIABILITIES</b>		<b>12,358</b>	<b>12,600</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>189,491</b>	<b>187,474</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 2022

	Note	2022 RM'000	2021 RM'000
Revenue	27	5,789	7,642
Other income and gains		-	152
Administrative and general expenses		(3,671)	(2,433)
Profit from operations		2,118	5,361
Finance income	28	40	45
Finance costs	29	(253)	(255)
Net finance costs		(213)	(210)
Profit before tax	30	1,905	5,151
Tax income	31	76	-
<b>Profit for the financial year</b>		1,981	5,151
<b>Other comprehensive income, net of tax</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefits obligation		278	-
<b>Total comprehensive income for the financial year</b>		2,259	5,151

The accompanying notes form an integral part of the financial statements

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	←----- Non-distributable ----->		Distributable	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	
At 1 January 2021	67,200	(4,213)	106,736	169,723
Profit and total comprehensive income for the financial year	-	-	5,151	5,151
At 31 December 2021	67,200	(4,213)	111,887	174,874
Profit for the financial year	-	-	1,981	1,981
Other comprehensive income for the financial year	-	-	278	278
At 31 December 2022	67,200	(4,213)	114,146	177,133

The accompanying notes form an integral part of the financial statements

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		1,905	5,151
Adjustments for:			
Depreciation of property, plant and equipment	5	2	2
Interest expense	29	253	255
Interest income	28	(40)	(45)
Operating profit before working capital changes		2,120	5,363
Changes in receivables		(99)	(146)
Changes in payables		124	339
Cash generated from operations		2,145	5,556
Tax paid		(1)	(1)
Net cash generated from operating activities		2,144	5,555
<b>INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	5	(3)	(2)
Interest received		40	45
Subscription of additional shares in subsidiaries	8	(1,394)	(1,915)
Withdrawal of fixed deposits		-	164
Withdrawal of short term deposits		-	211
Net cash used in investing activities		(1,357)	(1,497)
<b>FINANCING ACTIVITY</b>			
Interest paid, representing net cash used in financing activity		(253)	(255)
NET CHANGES IN CASH AND BANK BALANCES		534	3,803
CASH AND BANK BALANCES BROUGHT FORWARD		4,450	647
CASH AND BANK BALANCES CARRIED FORWARD		4,984	4,450

The accompanying notes form an integral part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 1. GENERAL INFORMATION

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2022 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 amendments

In the current financial year, the Group and the Company have applied a number of amendments that became effective mandatorily for the financial periods beginning on or after 1 January 2022. The adoption of the amendments did not have significant impact on the disclosures or on the amounts reported in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 2. BASIS OF PREPARATION (continued)

### 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 but are not yet effective:

		<i>Effective Date</i>
MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

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

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (a) Basis of Consolidation (continued)

#### *Changes of Interests in Subsidiaries*

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling 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.

### (b) Business Combination

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Business Combination (continued)

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.

The estimated useful lives are as follows:

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Investment Property

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

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

### (g) Intangible Assets

#### *Goodwill*

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

#### *Intangible Assets Acquired Separately*

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Intangible Assets (continued)

#### *Internally Generated Intangible Assets - Research and Development (continued)*

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

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

### (h) Income Tax

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

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

#### *Current Tax*

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

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

#### *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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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.

The estimated useful lives are as follows:

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

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

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

#### *Lessor*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Leases (continued)

#### *Lessor (continued)*

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 three 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 2022

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.

#### *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 2022  
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; and
- Derivative instruments.

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

#### *Impairment of Financial Assets*

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

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

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

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 2022

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 2022  
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.

#### *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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

#### *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 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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (q) Employee Benefits (continued)

#### (ii) *Post-employment benefits*

##### (a) Defined contribution plan

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

##### (b) Defined benefit plan

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

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

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

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

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

### (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.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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 rates on the dates of the transactions. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rates on that date.

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

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

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

#### *Translation of Foreign Operations*

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

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

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

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (u) Segmental Reporting (continued)

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.

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 years 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

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

### Key Estimation and Assumption

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

#### (i) *Land and Buildings*

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

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

#### (ii) *Goodwill*

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

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

#### (iii) *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.

#### (iv) *Inventories*

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

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

### Key Estimation and Assumption (continued)

#### (v) *Trade Receivables*

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

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

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

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

#### (vi) *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 exercises 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.

#### (vii) *Other Non-financial Assets*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

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

### Key Estimation and Assumption (continued)

#### (viii) Defined Benefit Plan

The Group and the Company determine the present value of the defined benefit obligation and the fair value of any plan asset based on calculations provided by independent actuaries triennially using the relevant assumptions as disclosed in note 23. Where expectations differ from the original estimate, the differences will impact the carrying amount of the post-employment benefits obligations.

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold 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	Total RM'000
<b>Cost/Valuation</b>								
At 1 January 2021	56,005	15,640	3,791	69,577	27,612	10,915	181,422	364,962
Additions	-	-	258	12,182	770	254	15,894	29,358
Disposals	-	-	-	(14,283)	(122)	-	(33,988)	(48,393)
Written off	-	-	-	-	(62)	(25)	(789)	(876)
Effects of movements in exchange rates	-	-	10	-	(29)	-	(1,867)	(1,886)
At 31 December 2021	56,005	15,640	4,059	67,476	28,169	11,144	160,672	343,165
Additions	-	-	94	16,801	1,335	497	21,408	40,135
Disposals	-	-	-	(17,837)	(334)	(65)	(18,808)	(37,044)
Written off	-	-	-	-	(31)	-	(56)	(87)
Effects of movements in exchange rates	-	-	-	-	-	-	(407)	(407)
At 31 December 2022	56,005	15,640	4,153	66,440	29,139	11,576	162,809	345,762
Representing item:								
At cost	-	-	4,153	66,440	29,139	11,576	162,809	274,117
At valuation	56,005	15,640	-	-	-	-	-	71,645
At 31 December 2022	56,005	15,640	4,153	66,440	29,139	11,576	162,809	345,762

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

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

Group	Freehold 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	Total RM'000
<b>Accumulated depreciation</b>								
At 1 January 2021	-	10	3,342	31,263	24,272	8,276	70,592	137,755
Charge for the financial year	-	514	151	12,759	1,786	1,036	23,826	40,072
Disposals	-	-	-	(9,596)	(84)	-	(18,648)	(28,328)
Written off	-	-	-	-	(62)	(25)	(520)	(607)
Effects of movements in exchange rates	-	-	5	-	(17)	-	(136)	(148)
At 31 December 2021	-	524	3,498	34,426	25,895	9,287	75,114	148,744
Charge for the financial year	-	534	150	12,557	1,066	694	23,007	38,008
Disposals	-	-	-	(13,537)	(311)	(64)	(14,295)	(28,207)
Written off	-	-	-	-	(31)	-	(35)	(66)
Effects of movements in exchange rates	-	-	-	-	-	-	(102)	(102)
At 31 December 2022	-	1,058	3,648	33,446	26,619	9,917	83,689	158,377
<b>Accumulated impairment loss</b>								
At 1 January 2021/ 31 December 2021/ 31 December 2022	-	-	140	-	7	1	77	225
<b>Carrying amount</b>								
At 31 December 2021	56,005	15,116	421	33,050	2,267	1,856	85,481	194,196
At 31 December 2022	56,005	14,582	365	32,994	2,513	1,658	79,043	187,160

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

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

(a) As at 31 December 2022, the carrying amount of cars for hire under hire purchase arrangements is RM22,957,000 (2021: RM27,567,000).

(b) Acquisition of assets held for rental

	2022	2021
	RM'000	RM'000
Additions	38,209	28,076
Financed via loans and borrowings	(10,636)	(4,138)
Cash paid	27,573	23,938

(c) Acquisition of property, plant and equipment

	2022	2021
	RM'000	RM'000
Additions	1,926	1,282

(d) The land and buildings under property, plant and equipment and right-of-use assets (note 6) were revalued on 8 December 2020. The fair values of the land and buildings as at 31 December 2022 were based on valuations carried out by 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 2022

cont'd

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

(d) (continued)

Had the revalued property, plant and equipment and right-of-use assets (note 6) 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 2021 and 31 December 2022 would be as follows:

	Freehold land RM'000	Leasehold land (note i) RM'000	Buildings (note ii) RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2021/31 December 2021/ 31 December 2022	15,612	4,145	16,306	36,063
<b>Accumulated depreciation</b>				
At 1 January 2021	-	1,239	5,363	6,602
Charge for the financial year	-	193	402	595
At 31 December 2021	-	1,432	5,765	7,197
Charge for the financial year	-	193	334	527
At 31 December 2022	-	1,625	6,099	7,724
<b>Carrying amount</b>				
At 31 December 2021	15,612	2,713	10,541	28,866
At 31 December 2022	15,612	2,520	10,207	28,339

Note (i): The leasehold land is under right-of-use assets (note 6).

Note (ii): Certain buildings are under right-of-use assets (note 6).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

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

Company	Furniture, fixtures, fittings and office equipment	
	2022 RM'000	2021 RM'000
<b>Cost</b>		
At 1 January	364	362
Additions	3	2
At 31 December	<u>367</u>	<u>364</u>
<b>Accumulated depreciation</b>		
At 1 January	361	359
Charge for the financial year	2	2
At 31 December	<u>363</u>	<u>361</u>
<b>Carrying amount</b>		
At 31 December	<u>4</u>	<u>3</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

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

### (a) The Group as Lessee

#### (i) Right-of-use Assets

Group	Leasehold land and buildings RM'000	Properties RM'000	Total RM'000
<b>Cost/Valuation</b>			
At 1 January 2021	21,915	8,817	30,732
Additions	-	2,478	2,478
Effects of movements in exchange rates	372	-	372
At 31 December 2021	22,287	11,295	33,582
Additions	-	6,986	6,986
Effects of movements in exchange rates	(140)	-	(140)
At 31 December 2022	22,147	18,281	40,428
Representing item:			
At cost	-	18,281	18,281
At valuation	22,147	-	22,147
	22,147	18,281	40,428
<b>Accumulated depreciation</b>			
At 1 January 2021	-	4,413	4,413
Charge for the financial year	533	3,573	4,106
Effects of movements in exchange rates	14	-	14
At 31 December 2021	547	7,986	8,533
Charge for the financial year	616	4,232	4,848
Effects of movements in exchange rates	(22)	-	(22)
At 31 December 2022	1,141	12,218	13,359
<b>Accumulated impairment loss</b>			
At 1 January 2021/31 December 2021/ 31 December 2022	839	-	839
<b>Carrying amount</b>			
At 31 December 2021	20,901	3,309	24,210
At 31 December 2022	20,167	6,063	26,230

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

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

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

#### (i) Right-of-use Assets (continued)

The Group leases leasehold land and buildings for a period of fifty to fifty-five years and properties that typically run a period of two to five years. The leases do not impose any covenants.

	2022	2021
	RM'000	RM'000
(ii) Lease Liabilities		
Current	3,296	3,091
Non-current	2,937	388
	6,233	3,479

### (b) The Group as Lessor

	2022	2021
	RM'000	RM'000
(i) Carrying amount of property, plant and equipment (subject to operating leases as lessor):		
Buildings	14,582	15,116
Coaches, motor vehicles for hire and other motor vehicles	79,043	85,481
Machinery and equipment for hire	32,994	33,050
	126,619	133,647
(ii) Carrying amount of investment property (subject to operating leases as lessor)	43,500	43,500

#### (iii) Analysis of undiscounted lease receivables after the reporting date is as follows:

	2022	2021
	RM'000	RM'000
Not later than one year	29,975	29,158
Later than one year but not later than five years	28,111	25,123
	58,086	54,281

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

### 7. INVESTMENT PROPERTY

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January/31 December	43,500	43,500
Investment property comprises:		
Leasehold land	40,700	40,700
Buildings	2,800	2,800
	<u>43,500</u>	<u>43,500</u>

- (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 (2021: 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:

	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental income	835	833
Direct operating expenses	122	113
	<u>713</u>	<u>720</u>

- (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 2022 is based on a valuation carried out on 8 November 2022 by 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 is 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 2022  
cont'd

## 8. INVESTMENTS IN SUBSIDIARIES

Company	2022 RM'000	2021 RM'000
<b>Unquoted shares, at cost</b>		
At 1 January	221,347	219,432
Additions	1,394	1,915
At 31 December	222,741	221,347
<b>Accumulated impairment losses</b>		
At 1 January/31 December	70,384	70,384
<b>Carrying amount</b>		
At 31 December	152,357	150,963

The details of the subsidiaries are as follows:

Name of subsidiaries	Effective ownership and voting interest		Principal place of business and place of incorporation	Principal activities
	2022 %	2021 %		
Mayflower Car Rental Sdn Bhd +	100.00	100.00	Malaysia	Rental of cars and coaches and trading and marketing of motor vehicles
Mayflower Corporate Travel Services Sdn Bhd ("MCTS")	100.00	100.00	Malaysia	Operation of inbound and outbound tours as well as provision of air-ticketing services
Mayflower Holidays Sdn Bhd	100.00	100.00	Malaysia	Operation of inbound and outbound tours as well as provision of air-ticketing services
Discovery Tours (Sabah) Sdn Bhd	100.00	100.00	Malaysia	Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services
TCIM Sdn Bhd ("TCIM") +	100.00	100.00	Malaysia	Distribution, sale and rental of material handling equipment, agriculture tractors, engines and construction equipment and parts, provision of after sales services and training

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

### 8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Effective ownership and voting interest		Principal place of business and place of incorporation	Principal activities
	2022 %	2021 %		
Jentrakel Sdn Bhd +	100.00	100.00	Malaysia	Rental and sale of industrial machinery and equipment
Angka-Tan Motor Sdn Bhd +	100.00	100.00	Malaysia	Assembly, distribution and sale of commercial and passenger vehicles
MUV Solutions Sdn Bhd	100.00	100.00	Malaysia	Provision of technology, maintenance and its related services
Tan Chong Apparels Manufacturer Sdn Bhd +	100.00	100.00	Malaysia	Manufacture of apparels
Warisan TC Automotive Manufacturers (M) Sdn Bhd	100.00	100.00	Malaysia	Manufacture and assembly of passenger and commercial vehicles
M A T Tours and Travel (Cambodia) Pte Ltd. *	100.00	100.00	Cambodia	Operation of inbound, outbound tours and provision of air ticketing services
Mayflower-My 2nd Home (MM2H) Sdn Bhd	100.00	100.00	Malaysia	Provision of migration services
Warisan TC Management Services Sdn Bhd	100.00	100.00	Malaysia	Provision of management services
HairBiz College of Hairdressing Professionals Sdn Bhd +	100.00	100.00	Malaysia	Property investment holding
Belize Holdings Sdn Bhd +	100.00	100.00	Malaysia	Investment holding
Mayflower (Labuan) Pte Ltd	100.00	100.00	Labuan, Malaysia	Investment holding
MAT (Labuan) Pte Ltd	100.00	100.00	Labuan, Malaysia	Investment holding

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Effective ownership and voting interest		Principal place of business and place of incorporation	Principal activities
	2022 %	2021 %		
Warisan Captive Incorporated	100.00	100.00	Labuan, Malaysia	Captive insurance
MAT Transportation Solution (Myanmar) Company Limited *	100.00	100.00	Myanmar	Rental of cars and coaches and trading and marketing of motor vehicles
Tung Pao Sdn Bhd +	100.00	100.00	Malaysia	Inactive
Tan Chong Apparels Sdn Bhd +	100.00	100.00	Malaysia	Inactive
Excess Line Sdn Bhd	100.00	100.00	Malaysia	Inactive
TC Machinery Vietnam Pte Ltd *	100.00	100.00	Vietnam	Inactive
Grooming Expert Sdn Bhd +	100.00	100.00	Malaysia	Inactive
Mayflower Holidays (Guangzhou) Co Ltd *	100.00	100.00	China	Dormant
Mayflower Logistics Solutions Sdn Bhd	100.00	100.00	Malaysia	Dormant
Warisan Automotif Holdings Sdn Bhd	100.00	100.00	Malaysia	Dormant
ATM (Labuan) Pte Ltd	100.00	100.00	Labuan, Malaysia	Dormant
Mayflower ITravel Sdn Bhd	100.00	100.00	Malaysia	Dormant
Mayflower Holidays (Labuan) Pte Ltd	100.00	100.00	Labuan, Malaysia	Investment holding
WTC Automotif (M) Sdn Bhd	100.00	100.00	Malaysia	Assembly, distribution and sale of commercial and passenger vehicles

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Effective ownership and voting interest		Principal place of business and place of incorporation	Principal activities
	2022 %	2021 %		
Gocar Mobility Sdn Bhd	99.64	99.64	Malaysia	Provision of online and mobile application platforms to fleet owners, fleet maintenance and management, and advertising services
MUV Marketplace Sdn Bhd <sup>+</sup>	84.21	84.21	Malaysia	Provision of used vehicles auction services, vehicle inspection and certification, and trading of used vehicles
Mayflower Online Sdn Bhd	100.00	100.00	Malaysia	Provision of technology, system development and online platform business solutions for travel related business
Comit Communication Technologies (M) Sdn Bhd <sup>+</sup>	75.50	75.50	Malaysia	Property investment holding
Kereta Komersil Seladang (M) Sdn Bhd ("KKS")	70.00	70.00	Malaysia	Manufacturing, assembly and sale of commercial and passenger vehicles
TCIM Esasia Sdn Bhd	100.00	70.00	Malaysia	Inactive
Mayan Flower Travel and Virtual Tours (Taiwan) Co. Ltd. <sup>*</sup>	100.00	-	Taiwan	Operation of inbound, outbound tours and provision of air ticketing services

<sup>+</sup> Subsidiaries which were consolidated on the merger method of accounting

<sup>\*</sup> Not audited by Mazars PLT

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 9. INVESTMENTS IN ASSOCIATES

Group	2022 RM'000	2021 RM'000
<b>Unquoted shares, at cost</b>		
At 1 January	2,239	2,239
Additions	338	-
At 31 December	2,577	2,239
<b>Share of post-acquisition reserve</b>		
At 1 January	(1,742)	(1,424)
Additions	(265)	(318)
At 31 December	(2,007)	(1,742)
<b>Carrying amount</b>		
At 31 December	570	497

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

Name of associates	Effective ownership and voting interest		Principal place of business and place of incorporation	Principal activities
	2022 %	2021 %		
Mayflower Saha Travel (Thailand) Co., Ltd. *	49.00	49.00	Thailand	Provision of air ticketing services, as well as inbound and outbound tours
Tan Chong Warisan Resources Management LLC *	49.00	49.00	United States of America ("USA")	Developing and sourcing for business opportunities in USA and Canada, sourcing for new and innovative products, technologies and/or services which can be commercially developed or commercialised and any other business related thereto

\* Not audited by Mazars PLT

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

Group	2022 RM'000	2021 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	13,404	17,722
Additions	3,988	(4,318)
At 31 December	17,392	13,404
<b>Carrying amount</b>		
At 31 December	34,748	30,760
<b>Company</b>		
<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
	2022 %	2021 %	
Wacoal Malaysia Sdn Bhd ("Wacoal")	50.00	50.00	Distribution and sale of ladies undergarments
Shiseido Malaysia Sdn Bhd ("Shiseido") *	50.00	50.00	Distribution and sale of cosmetics and consumer products

\* Not audited by Mazars PLT

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

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

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

	2022	2021
	RM'000	RM'000
<b>(i) Wacoal</b>		
<i>Statement of Financial Position</i>		
Current assets (excluding cash and bank balances)	38,312	27,058
Cash and bank balances	3,700	7,375
Non-current assets	13,730	14,016
Current liabilities	(11,371)	(8,818)
Non-current liabilities	(6,511)	(6,035)
<hr/>		
<i>Statement of Profit or Loss and Other Comprehensive Income</i>		
Revenue	48,501	29,974
Interest income	287	155
Depreciation of property, plant and equipment	(794)	(1,075)
Profit before tax	7,029	1,535
Tax expense	(1,646)	(301)
Total comprehensive income	5,383	1,234
<hr/>		
<b>(ii) Shiseido</b>		
<i>Statement of Financial Position</i>		
Current assets (excluding cash and bank balances)	67,198	41,624
Cash and bank balances	47,057	38,941
Non-current assets	29,439	52,338
Current liabilities	(76,682)	(51,577)
Non-current liabilities	(21,342)	(39,368)
<hr/>		
<i>Statement of Profit or Loss and Other Comprehensive Income</i>		
Revenue	112,606	81,319
Interest income	200	295
Depreciation of property, plant and equipment	(3,737)	(4,296)
Profit/(Loss) before tax	5,030	(11,425)
Tax (expense)/income	(1,336)	2,693
Other comprehensive income/(loss)	18	(18)
Total comprehensive income/(loss)	3,712	(7,286)
<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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:

<b>Group</b>	<b>2022</b> <b>RM'000</b>	<b>2021</b> <b>RM'000</b>
Group's share of net assets	41,765	37,777
Elimination of unrealised profits	(7,017)	(7,017)
	<hr/>	<hr/>
Carrying amount in consolidated statement of financial position	34,748	30,760
	<hr/>	<hr/>
Group's share of profit/(loss) for the financial year	4,539	(3,749)
	<hr/>	<hr/>
Group's share of other comprehensive income/(loss) for the financial year	9	(9)
	<hr/>	<hr/>

(iv) During the financial year, the cash dividend received by the Company amounted to RM560,000 (2021: RM560,000).

### 11. INTANGIBLE ASSETS

<b>Group</b>	<b>Goodwill</b> <b>RM'000</b>	<b>Software and applications</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Cost</b>			
At 1 January 2021	9,621	5,309	14,930
Additions	-	474	474
Written off	(490)	(2,039)	(2,529)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	9,131	3,744	12,875
Additions	-	640	640
Written off	-	(868)	(868)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	9,131	3,516	12,647
	<hr/>	<hr/>	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 11. INTANGIBLE ASSETS (continued)

Group	Goodwill RM'000	Software and applications RM'000	Total RM'000
<b>Accumulated amortisation</b>			
At 1 January 2021	-	2,698	2,698
Charge for the financial year	-	626	626
Written off	-	(1,164)	(1,164)
At 31 December 2021	-	2,160	2,160
Charge for the financial year	-	205	205
Written off	-	(585)	(585)
At 31 December 2022	-	1,780	1,780
<b>Carrying amount</b>			
At 31 December 2021	9,131	1,584	10,715
At 31 December 2022	9,131	1,736	10,867

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 following cash-generating units ("CGUs"):

Group	2022 RM'000	2021 RM'000
MCTS	8,431	8,431
KKS	700	700
	9,131	9,131

The recoverable amounts of the abovementioned CGUs are determined based on value-in-use calculations using cash flows projection covering five years. The growth rate used for the five-year cash flows projection is 5.00% to 10.00% (2021: 5.00%) per annum and the terminal value growth rate used is 5.00% (2021: 5.00%).

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 12.00% to 12.30% (2021: 7.50% to 10.00%).

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 2022

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property, plant and equipment	-	-	(17,353)	(18,121)	(17,353)	(18,121)
Investment property	-	-	(564)	(574)	(564)	(574)
Retirement benefits obligation	-	513	(663)	-	(663)	513
Tax losses	2,836	2,847	-	-	2,836	2,847
Other items	5,798	5,676	-	(155)	5,798	5,521
Deferred tax asset/(liability)	8,634	9,036	(18,580)	(18,850)	(9,946)	(9,814)
Offsetting	(3,418)	(2,938)	3,418	2,938	-	-
Net deferred tax asset/(liability)	5,216	6,098	(15,162)	(15,912)	(9,946)	(9,814)
<b>Company</b>						
Retirement benefits obligation	146	234	-	-	146	234
Other items	217	141	-	-	217	141
Deferred tax asset	363	375	-	-	363	375

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

Group	2022 RM'000	2021 RM'000
Unutilised tax losses	112,576	99,995
Unabsorbed capital allowances	7,896	9,133
Other temporary differences	3,342	2,573
	123,814	111,701

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

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

Pursuant to the applicable tax legislation, unabsorbed capital allowances can be carried forward indefinitely and unutilised tax losses will expire as follows:

Group	2022	2021
	RM'000	RM'000
Expired in 2028	35,666	38,149
Expired in 2029	16,883	16,883
Expired in 2030	26,530	26,530
Expired in 2031	18,433	18,433
Expired in 2032	15,064	-
	<u>112,576</u>	<u>99,995</u>

Movements of deferred tax are as follows:

Group	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	At 31 December
	RM'000	RM'000	RM'000	RM'000
<b>2022</b>				
Property, plant and equipment	(18,121)	768	-	(17,353)
Investment property	(574)	10	-	(564)
Retirement benefits obligation	513	(1)	(1,175)	(663)
Tax losses	2,847	(11)	-	2,836
Other items	5,521	187	90	5,798
Net deferred tax liability	<u>(9,814)</u>	<u>953</u>	<u>(1,085)</u>	<u>(9,946)</u>
<b>2021</b>				
Property, plant and equipment	(17,010)	(1,111)	-	(18,121)
Investment property	(574)	-	-	(574)
Retirement benefits obligation	483	36	(6)	513
Tax losses	2,847	-	-	2,847
Other items	5,778	(231)	(26)	5,521
Net deferred tax liability	<u>(8,476)</u>	<u>(1,306)</u>	<u>(32)</u>	<u>(9,814)</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

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

Company	At 1 January RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December RM'000
<b>2022</b>				
Retirement benefits obligation	234	-	(88)	146
Other items	141	76	-	217
Net deferred tax asset	375	76	(88)	363
<b>2021</b>				
Retirement benefits obligation	234	-	-	234
Other items	141	-	-	141
Net deferred tax asset	375	-	-	375

### 13. FINANCE LEASE RECEIVABLES

Group	2022 RM'000	2021 RM'000
Finance lease instalments receivable:		
- not later than one year	672	2,742
- later than one year but not later than five years	5,425	8,719
	6,097	11,461
Unexpired term charges	(196)	(449)
Outstanding principal receivable	5,901	11,012
Outstanding principal receivable not later than one year	(5,238)	(8,343)
Outstanding principal receivable later than one year but not later than five years	663	2,669

The effective interest rates of the finance leases ranging from 4.00% to 6.00% (2021: 4.00% to 6.00%) per annum depending on the amount financed and the tenure of the lease.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 14. OTHER INVESTMENTS

	2022	2021
Group	RM'000	RM'000
<b>Equity instrument (unquoted shares) designated at FVTOCI</b>		
At 1 January	186	6
Additions	270	180
At 31 December	456	186

## 15. INVENTORIES

	2022	2021
Group	RM'000	RM'000
Raw materials	681	623
Work-in-progress	182	1,312
Equipment and machinery	49,448	53,619
Trading goods	967	1,092
Spare parts and workshop inventories	19,978	19,072
Commercial and passenger vehicles	15,722	32,265
Complete knock down kits and accessories	41,652	25,857
	128,630	133,840

(a) The following items are recognised in profit or loss:

- (i) Inventories recognised as cost of sales amounting to RM343,657,000 (2021: RM279,665,000).
- (ii) Inventories written down to net realisable value amounting to RM1,221,000 (2021: RM2,832,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 16. TRADE AND OTHER RECEIVABLES

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
<i>Receivables from Contracts with Customers</i>		
Third parties (a)	92,703	57,744
Related parties (b)	12,031	20,158
	<hr/> 104,734	<hr/> 77,902
Allowance for doubtful debts (c)	(8,473)	(7,902)
	<hr/> 96,261	<hr/> 70,000
<i>Other Trade Receivables</i>		
Finance lease receivables	5,238	8,343
Total trade receivables	<hr/> 101,499	<hr/> 78,343
Other receivables	8,964	13,525
Allowance for doubtful debts (d)	(4,060)	-
	<hr/> 4,904	<hr/> 13,525
Deposits	4,335	2,168
Prepayments	13,715	15,760
Related parties (e)	688	1,296
	<hr/> 125,141	<hr/> 111,092
<b>Company</b>		
Deposits	14	14
Prepayments	14	14
Other receivables	-	10
Subsidiaries (f)	7,182	7,073
Related parties (e)	2	2
	<hr/> 7,212	<hr/> 7,113

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 16. TRADE AND OTHER RECEIVABLES (continued)

- (a) Customers are granted a credit period of 30 to 60 (2021: 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 (2021: 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 period.

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	2022	2021
	RM'000	RM'000
At 1 January	7,902	7,740
Allowance	1,056	2,323
Reversal	(480)	(1,204)
Written off	(5)	(957)
At 31 December	8,473	7,902

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

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

(c) (continued)

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

Group	Gross carrying amount RM'000	Allowance for doubtful debts RM'000
2022		
Not past due	50,565	-
1 to 30 days past due	14,330	-
31 to 120 days past due	19,387	-
Over 120 days past due	17,880	-
Individual impairment	8,473	(8,473)
	110,635	(8,473)
2021		
Not past due	34,141	-
1 to 30 days past due	9,379	-
31 to 120 days past due	15,666	-
Over 120 days past due	21,826	-
Individual impairment	7,902	(7,902)
	88,914	(7,902)

(d) The movements in allowance for doubtful debts for other receivables are as follows:

Group	2022 RM'000	2021 RM'000
At 1 January	-	-
Allowance	4,060	-
At 31 December	4,060	-

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

(f) 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 2022  
cont'd

## 17. 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.

## 18. FIXED DEPOSITS

Fixed deposits are placed with licensed banks to earn effective interest rates ranging from 1.20% to 2.75% (2021: 1.65% to 3.92%) per annum. All fixed deposits have maturity periods of less than one year.

## 19. SHARE CAPITAL

	2022	2021
Group and Company	RM'000	RM'000
Issued and fully paid up:		
67,200,000 ordinary shares		
At 1 January/31 December	67,200	67,200

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

## 20. TREASURY SHARES

	Number of shares		At cost	
	2022	2021	2022	2021
Group and Company	RM'000	RM'000	RM'000	RM'000
At 1 January/31 December	2,099	2,099	4,213	4,213

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

At the Annual General Meeting held virtually on 2 June 2022, 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.

## 21. RESERVES

### (a) Merger reserve

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 21. RESERVES (continued)

(b) Translation reserve

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

(c) Hedging reserve

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

(d) Revaluation reserve

(i) Revaluation reserve relates to the revaluation of property, plant and equipment and right-of-use assets immediately prior to their reclassification as investment property; and

(ii) The revaluation reserve is used to record changes in fair value of land and buildings measured under the revaluation model.

## 22. LOANS AND BORROWINGS

Group	2022 RM'000	2021 RM'000
<b>Non-current</b>		
Bank term loans (a)	1,000	2,081
Hire purchases (b)	2,504	3,334
Total non-current portion of loans and borrowings	3,504	5,415
<b>Current</b>		
Bank term loans (a)	845	1,395
Hire purchases (b)	3,282	6,134
Bankers' acceptances (c)	42,116	47,920
Revolving credits (d)	180,528	161,483
Bank overdrafts (e)	920	803
Total current portion of loans and borrowings	227,691	217,735
Total loans and borrowings	231,195	223,150

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 22. LOANS AND BORROWINGS (continued)

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

	2022	2021
	RM'000	RM'000
Not later than one year	845	1,395
Later than one year but not later than five years	1,000	2,081
	1,845	3,476

- (ii) The bank term loans are unsecured and bear interest rate of 13.00% (2021: 3.60% to 13.00%) per annum.

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

Group	Future minimum hire purchases	Future finance charges	Present value of minimum hire purchases
	RM'000	RM'000	RM'000
2022			
Not later than one year	3,489	(207)	3,282
Later than one year but not later than five years	2,582	(78)	2,504
	6,071	(285)	5,786
2021			
Not later than one year	6,453	(319)	6,134
Later than one year but not later than five years	3,463	(129)	3,334
	9,916	(448)	9,468

- (ii) The hire purchases are secured and bear flat interest rates ranging from 2.28% to 3.42% (2021: 2.45% to 3.42%) per annum.
- (c) The bankers' acceptances are unsecured and bear effective interest rates ranging from 2.49% to 4.46% (2021: 2.10% to 2.73%) per annum.
- (d) Revolving credits are unsecured and bear effective interest rates ranging from 2.06% to 4.80% (2021: 2.65% to 4.21%) per annum.
- (e) Bank overdrafts are unsecured and bear effective interest rates ranging from 6.07% to 7.07% (2021: 5.82%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

### 23. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Present value of unfunded obligations</b>				
At 1 January	12,071	10,918	1,882	1,882
<u>Included in profit or loss</u>				
Current service cost	1,083	1,075	-	-
Interest costs	414	377	-	-
	1,497	1,452	-	-
<u>Included in other comprehensive income</u>				
Actuarial gain	(4,897)	(27)	(366)	-
<u>Other</u>				
Benefits paid	(358)	(272)	-	-
At 31 December	8,313	12,071	1,516	1,882

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

Group and Company	2022	2021
Discount rate	4.78% to 5.17%	4.12% to 4.39%
Salary rate	5.50%	5.50%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 23. 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	2022		2021	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Discount rate (1.00% movement)	(550)	623	(1,085)	1,279
Salary rate (1.00% movement)	309	(284)	892	(793)
<hr/>				
<b>Company</b>				
Discount rate (1.00% movement)	(78)	85	-	-
Salary rate (1.00% movement)	12	(12)	1	(1)
<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.

## 24. CONTRACT LIABILITIES

Group	2022	2021
	RM'000	RM'000
Consideration received in advance (a)	7,224	6,962
Maintenance services (b)	4,097	3,485
	<hr/>	<hr/>
	11,321	10,447
	<hr/>	<hr/>

(a) Movements in consideration received in advance are as follows:

Group	2022	2021
	RM'000	RM'000
At 1 January	6,962	8,770
Revenue recognised that was included in the contract liabilities at the beginning of the financial year	(6,962)	(8,770)
Consideration received in current financial year	7,224	6,962
	<hr/>	<hr/>
At 31 December	7,224	6,962
	<hr/>	<hr/>

(b) Revenue relating to maintenance services is recognised over time, while the customers pay up-front in full. A contract liability is recognised upon collection of transaction price and being recognised as revenue over the service period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 25. TRADE AND OTHER PAYABLES

	2022	2021
Group	RM'000	RM'000
Trade payables (a)	31,033	21,209
Related parties - trade (b)	32,579	43,104
Other payables	9,596	12,850
Deposits received	14,711	17,156
Accruals	20,185	24,372
Related parties - non-trade (c)	15,571	12,656
	123,675	131,347
<b>Company</b>		
<b>Non-current</b>		
Subsidiaries (d)	5,189	5,189
<b>Current</b>		
Other payables	395	229
Accruals	42	45
Subsidiaries (d)	4,988	5,027
Related parties - non-trade (c)	228	228
	5,653	5,529

- (a) The credit periods granted by trade payables ranged from 30 to 120 (2021: 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 (2021: 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 (2021: RM5,189,000) not repayable within the next twelve months and which is subject to interest rate at 3.00% (2021: 3.00%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 26. DERIVATIVE FINANCIAL ASSET/(LIABILITY)

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

	2022			2021		
	Nominal value RM'000	Asset RM'000	Liability RM'000	Nominal value RM'000	Asset RM'000	Liability RM'000
Group						
Forward exchange contracts	40,745	263	(972)	36,647	11	(342)

## 27. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers (a)	365,246	287,372	-	-
Revenue from other sources (b)	115,178	74,593	5,789	7,642
	480,424	361,965	5,789	7,642

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At a point in time	340,921	264,809	-	-
Over time	24,325	22,563	-	-
	365,246	287,372	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 27. REVENUE (continued)

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Dividend income	-	-	5,789	7,642
Insurance premium income	3,428	3,852	-	-
Lease income	111,750	70,741	-	-
	115,178	74,593	5,789	7,642

## 28. FINANCE INCOME

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income from fixed deposits	1,039	1,152	40	36
Interest income from short term deposits	59	110	-	9
	1,098	1,262	40	45

## 29. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Bank term loans	1,944	507	-	-
Bankers' acceptances	1,149	695	-	-
Revolving credits	3,645	4,571	-	-
Hire purchases	412	661	-	-
Leases	302	256	-	-
Others	79	84	253	255
	7,531	6,774	253	255

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 30. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<i>(Loss)/Profit before tax is stated after charging/ (crediting):</i>				
Allowances for doubtful debts for other receivables	4,060	-	-	-
Allowances for doubtful debts for trade receivables	1,056	2,323	-	-
Amortisation of intangible assets	205	626	-	-
Auditors' remuneration				
- statutory audit:				
- Mazars PLT	385	323	39	33
- Other auditors	34	31	-	-
- other assurance and related services:				
- Mazars PLT and affiliates	130	167	10	10
- Other auditors	87	28	-	-
Bad debts written off	49	145	-	-
Depreciation of property, plant and equipment	38,008	40,072	2	2
Depreciation of right-of-use assets	4,848	4,106	-	-
Gain on disposal of assets held for rental	(7,274)	(6,389)	-	-
Gain on disposal of property, plant and equipment	(200)	(207)	-	-
Impairment loss on property, plant and equipment	-	140	-	-
Intangible assets written off	283	1,365	-	-
Net realised (gain)/loss on foreign exchange	(132)	72	-	-
Net unrealised (gain)/loss on foreign exchange	(222)	397	-	-
Property, plant and equipment written off	21	269	-	-
Retirement benefits expense	1,497	1,452	-	-
Reversal of allowance for doubtful debts	(480)	(1,204)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 31. TAX EXPENSE/(INCOME)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Current tax</b>				
- current financial year	3,967	5,829	-	-
- overprovision in previous financial year	(1,898)	(903)	-	-
Total current tax	2,069	4,926	-	-
<b>Deferred tax</b>				
- current financial year	(544)	(3,048)	-	-
- (over)/underprovision in previous financial year	(409)	4,354	(76)	-
Total deferred tax	(953)	1,306	(76)	-
Total tax expense/(income)	1,116	6,232	(76)	-

The corporate income tax rate (the "applicable tax rate") in Malaysia is 24.00% (2021: 24.00%). Taxation for other jurisdictions is determined at the tax rate prevailing in the respective jurisdictions.

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit before tax	(11,394)	(27,471)	1,905	5,151
Tax calculated at the applicable tax rate	(2,735)	(6,593)	457	1,236
Non-deductible expenses	5,489	4,027	942	608
Non-taxable income	(1,977)	(1,757)	(1,399)	(1,844)
Deferred tax asset previously not recognised	2,907	6,985	-	-
Difference in tax rates of other jurisdictions	(261)	119	-	-
(Over)/Underprovision in previous financial year	(2,307)	3,451	(76)	-
	1,116	6,232	(76)	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 32. BASIC LOSS PER SHARE

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

Group	2022	2021
Loss for the financial year attributable to Owners of the Company (RM'000)	(11,535)	(32,445)
Weighted average number of ordinary shares ('000) At 1 January/31 December	65,101	65,101
Basic and diluted loss per share (sen)	(18)	(50)

Basic and diluted loss per share are equal as the Company does not have any potential dilutive ordinary shares outstanding as at the end of the reporting period.

## 33. EMPLOYEE INFORMATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Employee costs	56,336	44,216	2,496	2,102
Defined contribution plan	5,377	5,621	211	309
Retirement benefits obligation	1,633	1,451	-	-
	63,346	51,288	2,707	2,411

## 34. 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 2022

cont'd

### 34. 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

<b>Company</b>	<b>2022</b> RM'000	<b>2021</b> RM'000
Management fee paid/payable	604	563
Finance costs	253	255

(b) Transactions with jointly controlled entities

**Group**

Income from travel agency, car rental and workshop services	-	1
Return of goods	-	6

(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:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b> RM'000	<b>2021</b> RM'000	<b>2022</b> RM'000	<b>2021</b> RM'000
<i>With TCMH group</i>				
Rental income	1,657	1,646	-	-
Sales	51,310	50,336	-	-
Travel agency, car rental and workshop services	4,395	1,943	-	-
Administrative and Information Technology ("IT") services	4,116	4,262	-	-
Assembly services and royalty fee	11,470	6,236	-	-
Insurance agency services	4,910	4,625	46	36
Lease payments	1,441	1,558	-	-
Purchases	61,049	46,638	-	-
Workshop services	2,966	1,241	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 34. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<i>With APM group</i>				
Rental income	1,295	1,231	-	-
Sales	614	163	-	-
Travel agency, car rental and workshop services	661	279	-	-
Lease payments	516	477	-	-
Purchases	693	238	-	-

## 35. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(a) Non-executive directors				
Fees	259	199	259	199
Allowances	83	61	83	61
Other short-term employee benefits	112	-	-	-
	454	260	342	260

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

### 35. KEY MANAGEMENT PERSONNEL (continued)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(b) Executive directors				
Remuneration	2,912	2,315	1,918	1,629
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	6	6	-	-
Defined contribution plan	330	391	211	309
Post-employment benefit	253	234	236	213
	<u>3,501</u>	<u>2,946</u>	<u>2,365</u>	<u>2,151</u>
(c) Other key management personnel				
Remuneration	2,445	2,734	-	-
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	44	48	-	-
Defined contribution plan	278	320	-	-
Post-employment benefit	83	111	-	-
	<u>2,850</u>	<u>3,213</u>	<u>-</u>	<u>-</u>
Total	<u>6,805</u>	<u>6,419</u>	<u>2,707</u>	<u>2,411</u>

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

### 36. COMMITMENTS

Group	2022 RM'000	2021 RM'000
Approved and contracted capital expenditure for property, plant and equipment but not provided for in the financial statements	9,023	3,592

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 37. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

Group	2022 RM'000	2021 RM'000
<b>(i) Financial assets at amortised cost</b>		
Finance lease receivables	5,901	11,012
Trade and other receivables*	106,188	86,989
Fixed deposits	37,163	50,133
Cash and bank balances	43,926	47,646
	193,178	195,780
<b>(ii) Financial assets at FVTPL</b>		
Derivative financial asset	263	11
Short term deposits	2,749	4,434
	3,012	4,445
<b>(iii) Financial asset at FVTOCI</b>		
Other investments	456	186
	456	186
<b>Company</b>		
<b>(i) Financial assets at amortised cost</b>		
Other receivables*	7,198	7,099
Cash and bank balances	4,984	4,450
	12,182	11,549

\* Exclude prepayments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

## 37. FINANCIAL INSTRUMENTS (continued)

### (a) Classification of financial instruments (continued)

Group	2022 RM'000	2021 RM'000
<b>(i) Financial liabilities at amortised cost</b>		
Trade and other payables	123,675	131,347
Loans and borrowings	231,195	223,150
	354,870	354,497
<b>(ii) Financial liability at FVTPL</b>		
Derivative financial liability	972	342
<b>Company</b>		
<b>(i) Financial liability at amortised cost</b>		
Other payables	10,842	10,718

### (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
2022		
<b>Financial liability</b>		
Loans and borrowings (level 3)	231,195	233,139
2021		
<b>Financial liability</b>		
Loans and borrowings (level 3)	223,150	223,657

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 2022  
cont'd

## 38. 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 parties who wish to trade on credit terms are 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 2022

cont'd

## 38. 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
2022			
Trade and other payables	123,675	-	123,675
Loans and borrowings	227,691	13,224	240,915
Derivative financial liability	972	-	972
	352,338	13,224	365,562
Lease liabilities	3,320	4,417	7,737
	355,658	17,641	373,299
2021			
Trade and other payables	131,347	-	131,347
Loans and borrowings	217,735	7,950	225,685
Derivative financial liability	342	-	342
	349,424	7,950	357,374
Lease liabilities	3,183	569	3,752
	352,607	8,519	361,126
<b>Company</b>			
2022			
Other payables	5,653	6,454	12,107
2021			
Other payables	5,529	6,464	11,993

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 38. FINANCIAL RISK MANAGEMENT (continued)

### (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.

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") and Chinese Renminbi ("CNY").

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

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

#### Group

In RM'000	Denominated in	
	USD	CNY
2022		
Trade receivables	1,832	237
Trade payables	(505)	-
Cash and bank balances	15,866	15
Net exposure	17,193	252

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

### 38. FINANCIAL RISK MANAGEMENT (continued)

(d) Foreign currency exchange risk (continued)

Group	Denominated in	
	USD	CNY
In RM'000		
2021		
Trade receivables	2,380	2,765
Trade payables	(890)	-
Cash and bank balances	17,801	2
Net exposure	19,291	2,767

#### Sensitivity analysis for foreign currency exchange risk

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

A 10.00% strengthening or weakening of the abovementioned foreign currencies against Ringgit Malaysia as at the end of the reporting period would decrease or increase pre-tax loss by approximately RM1,745,000 (2021: RM2,206,000), with all other variables remaining constant.

### 39. 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:

Group	2022	2021
	RM'000	RM'000
Loans and borrowings	231,195	223,150
Lease liabilities	6,233	3,479
Less: Short term deposits	(2,749)	(4,434)
Fixed deposits	(37,163)	(50,133)
Cash and bank balances	(43,926)	(47,646)
Net debt	153,590	124,416
Total equity attributable to owners of the Company	234,116	242,183
Gearing ratio	65.60%	51.37%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022  
cont'd

## 40. SEGMENTAL ANALYSIS

	Machinery		Travel and car rental		Automotive		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit/(loss)	22,723	23,818	22,599	11,423	(6,312)	(7,266)	2,217	(2,249)	41,227	25,726
<u>Included in the measure of segment profit/(loss)</u>										
Revenue from external customers	205,651	169,829	83,532	52,224	184,350	130,538	6,891	9,374	480,424	361,965
Impairment loss on property, plant and equipment	-	-	-	(140)	-	-	-	-	-	(140)
Inventories written down	(935)	(1,878)	-	-	(118)	(299)	(168)	(655)	(1,221)	(2,832)
Share of results of equity accounted associates	-	-	-	-	-	-	(265)	(318)	(265)	(318)
Share of results of equity accounted jointly controlled entities	-	-	-	-	-	-	4,539	(3,749)	4,539	(3,749)
<u>Not included in the measure of segment profit/(loss) but provided to Chief Operating Decision Makers</u>										
Depreciation and amortisation	(15,367)	(15,189)	(24,144)	(25,471)	(3,088)	(3,175)	(200)	(728)	(42,799)	(44,563)
Finance costs	(3,210)	(2,941)	(3,060)	(2,972)	(1,247)	(839)	(9)	(8)	(7,526)	(6,760)
Finance income	391	540	306	393	10	15	312	223	1,019	1,171
Tax (expense)/income	(1,948)	(2,057)	1,174	(3,577)	2	(8)	(344)	(590)	(1,116)	(6,232)
Segment assets	236,735	259,901	182,590	166,018	107,611	102,981	85,074	95,852	612,010	624,752
<u>Included in the measure of segment assets</u>										
Additions to non-current assets other than financial instruments and deferred tax asset	15,793	12,935	23,121	15,000	892	1,136	73	3	39,879	29,074

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

cont'd

### 40. SEGMENTAL ANALYSIS (continued)

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

	2022 RM'000	2021 RM'000
Total profit for reportable segments	41,227	25,726
Depreciation and amortisation	(43,061)	(44,804)
Finance costs	(7,531)	(6,774)
Finance income	1,098	1,262
Non-reportable segment expenses	(3,127)	(2,881)
Loss before tax	(11,394)	(27,471)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2022						
Total reportable segments	480,424	(42,799)	(7,526)	1,019	612,010	39,879
Other non-reportable segments	-	(262)	(5)	79	6,944	256
Share of assets from equity accounted associates and jointly controlled entities	-	-	-	-	35,318	-
	480,424	(43,061)	(7,531)	1,098	654,272	40,135
2021						
Total reportable segments	361,965	(44,563)	(6,760)	1,171	624,752	29,074
Other non-reportable segments	-	(241)	(14)	91	7,137	284
Share of assets from equity accounted associates and jointly controlled entities	-	-	-	-	31,257	-
	361,965	(44,804)	(6,774)	1,262	663,146	29,358

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

The financial statements were authorised for issue by the board of directors on 5 April 2023.

## STATEMENT BY DIRECTORS

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

We, Tan Keng Meng and Chin Yen Song, being two of the directors of Warisan TC Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 106 to 184 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 2022, 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

Kuala Lumpur

**CHIN YEN SONG**

Director

## STATUTORY DECLARATION

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

I, Lee Koon Seng, being the officer primarily responsible for the financial management of Warisan TC Holdings Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 106 to 184 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared  
by the abovenamed  
Lee Koon Seng  
at Kuala Lumpur  
in the Federal Territory  
on 5 April 2023

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

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-Sixth Annual General Meeting ("26<sup>th</sup> AGM") of WARISAN TC HOLDINGS BERHAD ("WTCH" or "Company") will be held virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 2 June 2023 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 2022 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) Dato' Tan Heng Chew; and
  - (ii) Mr. Tan Keng Meng.*Ordinary Resolution 1  
Ordinary Resolution 2*
  
3. To re-elect Dato' Yunus bin Abd Razak, a Director of the Company, who retires and being eligible, has offered himself for re-election, in accordance with Article 77 of the Company's Constitution. *Ordinary Resolution 3*
  
4. To approve the payment of Directors' fees of up to an amount of RM480,000 in aggregate to the Non-Executive Directors of the Company during the course of the period from 3 June 2023 until the next Annual General Meeting of the Company. *Ordinary Resolution 4*
  
5. To approve the payment of Directors' benefits of up to an amount of RM195,000 in aggregate to the Non-Executive Directors of the Company during the course of the period from 3 June 2023 until the next Annual General Meeting of the Company. *Ordinary Resolution 5*
  
6. To re-appoint Mazars PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. *Ordinary Resolution 6*

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## As Special Business

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

### 7. AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Constitution of the Company and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate") AND THAT the Directors of the Company be and are hereby empowered and authorised to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities and to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given, or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by a resolution of the Company at a general meeting."

*Ordinary Resolution 7*

### 8. 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.

# NOTICE OF ANNUAL GENERAL MEETING

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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*

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

"THAT, subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.1 of the Company's Circular to Shareholders dated 28 April 2023 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

# NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

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

**Ordinary Resolution 9**

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

"THAT, subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.2 of the Company's Circular to Shareholders dated 28 April 2023 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until –

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

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

**Ordinary Resolution 10**

# NOTICE OF ANNUAL GENERAL MEETING

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## 11. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH DIRECTORS AND MAJOR SHAREHOLDERS OF WARISAN TC HOLDINGS BERHAD AND ITS SUBSIDIARIES AND PERSONS CONNECTED WITH THEM

"THAT, subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with Directors and Major Shareholders of WTCH Group and persons connected with them ("Related Parties") including those as set out in Paragraph 3.3.1.3 of the Company's Circular to Shareholders dated 28 April 2023 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until –

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

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

**Ordinary Resolution 11**

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

By Order of the Board

**LEE POH YEAN** [SSM PC No. 202208000259 (MAICSA 7015043)]

**LEE KOON SENG** [SSM PC No. 202108000587 (MIA 8143)]

Company Secretaries

Kuala Lumpur  
28 April 2023

# NOTICE OF ANNUAL GENERAL MEETING

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## NOTES:

1. The 26<sup>th</sup> AGM will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the 26<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 26<sup>th</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 broadcast venue of the 26<sup>th</sup> AGM is to inform shareholders where the electronic 26<sup>th</sup> AGM production and streaming would be conducted from. No member(s)/proxy(ies) will be allowed to physically present at the broadcast venue on the day of the meeting.
3. A depositor whose name appears in Record of Depositors of the Company as at 26 May 2023 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at the 26<sup>th</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 26<sup>th</sup> AGM.
5. Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
6. Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
  - (i) the securities account number;
  - (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
  - (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.
8. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.

# NOTICE OF ANNUAL GENERAL MEETING

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10. The instrument appointing a proxy ("Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 26<sup>th</sup> AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 26<sup>th</sup> AGM or not later than Wednesday, 31 May 2023 at 10:30 a.m.:
- (a) **In hard copy form**  
Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;
  - (b) **By electronic means via TIH Online**  
By electronic means to the electronic address at Tricor's TIH Online website at <https://tiih.online>. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms; and
  - (c) **By electronic means via email**  
By electronic mail (email) to Tricor's email address at [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com) to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 10(a) above.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 26<sup>th</sup> AGM will be put to vote by poll.

## EXPLANATORY NOTES ON ORDINARY / SPECIAL BUSINESS

### (1) Item 1 of the Agenda – Audited Financial Statements for financial year ended 2022

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

### (2) Ordinary Resolutions 1, 2 and 3 – Re-election of Directors pursuant to Articles 98 and 77 of the Company's Constitution

The profiles of the Directors, namely Dato' Tan Heng Chew, Mr. Tan Keng Meng and Dato' Yunus bin Abd Razak who are standing for re-election under Items 2 and 3 of the Agenda are set out in the Profile of Directors of the Annual Report 2022.

Based on the recommendations of Nominating and Remuneration Committee of the Company, the Board (except for the retiring directors) collectively supports the re-election of Dato' Tan Heng Chew, Mr. Tan Keng Meng and Dato' Yunus bin Abd Razak as Directors of the Company based on the following justifications:

- (i) they meet the criteria of skills, knowledge, expertise, experience, competency, time commitment, character, professionalism and integrity to effectively discharge their respective roles as Directors of the Company;
- (ii) they have exercised their due care and carried out their professional duties proficiently during their tenure as Directors of the Company;
- (iii) from their wealth of expertise and experience possessed, they will continue to bring sound judgement and valuable contribution to the Board deliberations and decision making by the Board; and
- (iv) Dato' Yunus bin Abd Razak is able to raise his independence views and exercise due care as Independent Director of the Company and carry out his duty diligently in the interest of the Company and shareholders.

# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## (3) Ordinary Resolutions 4 and 5 – Directors' Fees and Benefits

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

The Company pays Directors' fees and benefits to the Non-Executive Directors ("NEDs"). The Executive Directors do not receive any fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders.

The Board recommends that shareholders approve a maximum aggregate amount of RM480,000 for the payment of Directors' fees to the NEDs of the Company (including 2 additional NEDs) during the course of the period from 3 June 2023 until the next Annual General Meeting of the Company.

The Board also recommends that shareholders approve a maximum aggregate amount of RM195,000 for the payment of benefits to the NEDs of the Company (including 2 additional NEDs) which mainly consist of meeting allowance (for acting as Chairman of the Meeting, not more than RM1,500 per meeting and for acting as Board/Board Committee members, not more than RM1,200 per meeting) during the course of the period from 3 June 2023 until the next Annual General Meeting of the Company.

## (4) Ordinary Resolution 7 – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 7 is a new general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The aforesaid Ordinary Resolution, if passed, will empower the Directors of the Company, from the date of the 26<sup>th</sup> AGM, to issue and allot new ordinary shares of the Company of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority, unless earlier revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier. The authority to issue shares pursuant to Sections 75 and 76 of the Act will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting to approve such issuance of shares. As at the date of this notice, there is no proposal to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

## (5) 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 28 April 2023 which is available at the Company's website at <https://www.warisanct.com.my>.

# NOTICE OF ANNUAL GENERAL MEETING

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## (6) Ordinary Resolutions 9, 10 and 11 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The proposed Ordinary Resolutions 9, 10 and 11, 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, 10 and 11 are set out in the Circular to Shareholders dated 28 April 2023 which is available at the Company's website at <https://www.warisantc.com.my>.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 26<sup>th</sup> AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the 26<sup>th</sup> AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26<sup>th</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 any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# ADMINISTRATIVE NOTES



## WARISAN TC HOLDINGS BERHAD

[Registration No. 199701009338 (424834-W)]  
(Incorporated in Malaysia)

### ADMINISTRATIVE NOTES FOR TWENTY-SIXTH ANNUAL GENERAL MEETING

- Date : Friday, 2 June 2023
- Time : 10:30 a.m.
- Broadcast Venue : Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

#### MODE OF MEETING

1. As part of the safety measures to safeguard the wellbeing of shareholders, the Twenty-Sixth Annual General Meeting ("26<sup>th</sup> AGM") of the Company will be held virtually through live streaming from the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers by the Securities Commission Malaysia.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 26<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

#### ANNUAL REPORT 2022 AND CIRCULAR TO SHAREHOLDERS

1. The following documents are available on the Company's website at <https://www.warisantc.com.my> and Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com>:
  - (a) Annual Report 2022 ("AR 2022")
  - (b) Circular to Shareholders ("Circular")
2. If you need a copy of the printed AR 2022 and/or Circular, please fax or email your request to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at fax number and email address stated below. Alternatively, you may request online via Tricor's TIIH Online website at <https://tiih.online> by selecting "Request for Annual Report" under the "Investor Services".

#### DOOR GIFT/FOOD VOUCHER

There will be **NO distribution** of door gifts or food vouchers to shareholders/proxies who participate in the 26<sup>th</sup> AGM.

## ADMINISTRATIVE NOTES

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### REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

1. Shareholders are advised to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 26<sup>th</sup> AGM using RPV facilities provided by Tricor via its TIIH Online website at <https://tiih.online>.
2. Shareholders who appoint proxies to participate via RPV facilities in the 26<sup>th</sup> AGM must ensure that the duly executed Forms of Proxy are deposited either in hard copy form or by electronic means via TIIH Online website at <https://tiih.online> to Tricor not later than **Wednesday, 31 May 2023 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, 31 May 2023 at 10:30 a.m.** to participate via RPV facilities in the 26<sup>th</sup> AGM.
4. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than **Wednesday, 31 May 2023 at 10:30 a.m.** to participate via RPV facilities in the 26<sup>th</sup> AGM. If the power of attorney is submitted by electronic mail (email) to Tricor's email address at [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com), it must be followed by the depositing of a hard copy of the power of attorney at Tricor's office.
5. **A shareholder who has appointed a proxy or attorney or authorised representative to participate and vote at the 26<sup>th</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 26<sup>th</sup> AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "**e-Services**" to login, pose questions and submit electronically not later than **Wednesday, 31 May 2023 at 10:30 a.m.** The Board will endeavour to answer the questions received at the 26<sup>th</sup> AGM.

### PROCEDURES FOR RPV FACILITIES

Please read and follow the procedures and actions below to participate and vote at the 26<sup>th</sup> AGM remotely using the RPV facilities:

Procedure	Action
<b>BEFORE THE DAY OF THE 26<sup>TH</sup> AGM</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 "<b>e-Services</b>" select "<b>Create Account by Individual Holder</b>". Refer to the tutorial guide posted on the homepage for assistance.</li> <li>■ Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</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>

# ADMINISTRATIVE NOTES

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Procedure	Action
<b>BEFORE THE DAY OF THE 26<sup>TH</sup> AGM (continued)</b>	
(b) Submit your registration for RPV facilities	<ul style="list-style-type: none"> <li>■ Registration is open from Friday, 28 April 2023 until such time before the voting session ends at the 26<sup>th</sup> AGM on <b>Friday, 2 June 2023</b>.</li> <li>■ Shareholders, proxies, corporate representatives or attorney(s) are required to pre-register their attendance for the 26<sup>th</sup> AGM for verification of their eligibility to attend the 26<sup>th</sup> AGM using the RPV facilities.</li> <li>■ Login with your user ID (i.e., e-mail address) and password and select the corporate event: <b>"(REGISTRATION) WARISAN TC 26<sup>TH</sup> AGM"</b>.</li> <li>■ Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>■ Select <b>"Register for Remote Participation and Voting"</b>.</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>26 May 2023</b>, the system will send you an e-mail after 31 May 2023 to approve or reject your registration for remote participation.</li> </ul> <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV facilities in order that you can login to TIIH Online and participate at the 26<sup>th</sup> AGM remotely.)</i></p>
<b>ON THE DAY OF THE 26<sup>TH</sup> AGM</b>	
(c) Login to TIIH Online	<ul style="list-style-type: none"> <li>■ Login with your user ID and password for remote participation at the 26<sup>th</sup> AGM at any time from <b>9:30 a.m.</b> i.e. 1 hour before the commencement of the 26<sup>th</sup> AGM on <b>Friday, 2 June 2023 at 10:30 a.m.</b></li> </ul>
(d) Participate through Live Streaming	<ul style="list-style-type: none"> <li>■ Select the corporate event: <b>"(LIVE STREAM MEETING) WARISAN TC 26<sup>TH</sup> AGM"</b> to engage in the proceedings of the 26<sup>th</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 26<sup>th</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 <b>tiih.online@my.tricorglobal.com</b> for assistance.</li> </ul>
(e) Online Remote Voting	<ul style="list-style-type: none"> <li>■ Voting session commences <b>from 10:30 a.m. on Friday, 2 June 2023</b> until a time when the Chairman announces the end of the voting session of the 26<sup>th</sup> AGM.</li> <li>■ Select the corporate event: <b>"(REMOTE VOTING) WARISAN TC 26<sup>TH</sup> AGM"</b> or if you are on the live stream meeting page, you can select <b>"GO TO REMOTE VOTING PAGE"</b> button below the Query Box.</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) End of remote participation	<ul style="list-style-type: none"> <li>■ Upon the announcement by the Chairman on the conclusion of the 26<sup>th</sup> AGM, the live streaming will end.</li> </ul>

# ADMINISTRATIVE NOTES

cont'd

## APPOINTMENT OF PROXY

1. The 26<sup>th</sup> AGM will be conducted on a virtual basis, if you are unable to attend the meeting via RPV facilities on 2 June 2023, you may appoint the Chairman of the meeting as your proxy and indicate your voting instructions in the Form of Proxy.
2. The instrument appointing a proxy ("Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 26<sup>th</sup> AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 26<sup>th</sup> AGM or not later than **Wednesday, 31 May 2023 at 10:30 a.m.:**

(a) **In hard copy form**

Either by hand or post to the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

(b) **By electronic means via email**

By electronic mail (email) to Tricor's email address at [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com) to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated above; and

(c) **By electronic means via TIIH Online**

By electronic means to the electronic address at Tricor's TIIH Online website at <https://tiah.online>. The steps to submit the Form of Proxy are summarised below:

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>■ Access the website at <a href="https://tiah.online">https://tiah.online</a>.</li> <li>■ Register as a user under the "e-Services". Please 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.</li> </ul>
Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> <li>■ After the release of the Notice of Meeting by the Company, login with your user name (i.e., email address) and password.</li> <li>■ Select the corporate event: "<b>WARISAN TC 26<sup>TH</sup> AGM - SUBMISSION OF PROXY FORM</b>".</li> <li>■ Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>■ Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>■ Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>■ Review and confirm your proxy(s) appointment.</li> <li>■ Print the Form of Proxy for your record.</li> </ul>

## ADMINISTRATIVE NOTES

cont'd

Procedure	Action
<b>ii. Steps for corporation or institutional shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>■ Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>■ Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>“Create Account by Representative of Corporate Holder”</b>.</li> <li>■ Complete the registration form and upload the required documents.</li> <li>■ Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>■ Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p><i>(Note: The representative of a corporation or institutional shareholder must register as a user first in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> <li>■ Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>■ Select the corporate exercise name: <b>“WARISAN TC 26<sup>TH</sup> AGM - SUBMISSION OF PROXY FORM”</b>.</li> <li>■ Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>■ Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein.</li> <li>■ Prepare the file for the appointment of proxy(s) by inserting the required data.</li> <li>■ Submit the proxy appointment file.</li> <li>■ Login to TIIH Online, select corporate exercise name: <b>“WARISAN TC 26<sup>TH</sup> AGM - SUBMISSION OF PROXY FORM”</b>.</li> <li>■ Proceed to upload the duly completed proxy appointment file.</li> <li>■ Select “Submit” to complete your submission.</li> <li>■ Print the confirmation report of your submission for your record.</li> </ul>

### POLL VOTING

1. The voting at the 26<sup>th</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 26<sup>th</sup> AGM at 10:30 a.m. on Friday, 2 June 2023 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 26<sup>th</sup> AGM, the Scrutineers will verify the poll results and to be followed by the Chairman’s declaration whether the resolutions are duly passed.

## ADMINISTRATIVE NOTES

cont'd

### ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except on public holidays):

#### Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299  
Fax No. : +603-2783 9222  
Email : [is.enquiry@my.tricorglobal.com](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))  
Mr. Hifzul Azad ([Mohamad.Hifzul@my.tricorglobal.com](mailto:Mohamad.Hifzul@my.tricorglobal.com))

### PERSONAL DATA PRIVACY

Please refer to the Company's compliance with the Personal Data Protection Act 2010 notice as found in the Company's Annual Report 2022.

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

CDS Account No.	
Number of shares held	
Shareholder's email address	
Tel No.	

I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_  
*(name of shareholder, in capital letters)* *(new and old)*of \_\_\_\_\_  
*(full address)*

being a member(s) of WARISAN TC HOLDINGS BERHAD, hereby appoint:

Proxy 1			
Full Name <i>(in capital letters and as per NRIC/Passport)</i>	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

and

Proxy 2			
Full Name <i>(in capital letters and as per NRIC/Passport)</i>	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Twenty-Sixth Annual General Meeting ("26<sup>th</sup> AGM") of the Company to be held virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 2 June 2023 at 10:30 a.m., and at any adjournment thereof, as indicated below:

No.	Resolution	For	Against
Ordinary Resolution 1	Re-election of Dato' Tan Heng Chew as Director		
Ordinary Resolution 2	Re-election of Mr. Tan Keng Meng as Director		
Ordinary Resolution 3	Re-election of Dato' Yunus bin Abd Razak as Director		
Ordinary Resolution 4	Approval for the payment of Directors' Fees		
Ordinary Resolution 5	Approval for the payment of Directors' Benefits		
Ordinary Resolution 6	Re-appointment of Mazars PLT as Auditors		
Special Business			
Ordinary Resolution 7	Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016		
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		
Ordinary Resolution 11	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Directors and Major Shareholders of the Company and its subsidiaries and persons connected with them		

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

Signature of Member(s)/Attorney of Member(s)

Date: \_\_\_\_\_

Common Seal of Member, if applicable  
*(if the appointer is a corporation)*

**NOTES:**

1. The 26<sup>th</sup> AGM will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tiah.online>. Please follow the procedures provided in the Administrative Notes for the 26<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 26<sup>th</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 broadcast venue of the 26<sup>th</sup> AGM is to inform shareholders where the electronic 26<sup>th</sup> AGM production and streaming would be conducted from. No member(s)/proxy(ies) will be allowed to physically present at the broadcast venue on the day of the meeting.
3. A depositor whose name appears in Record of Depositors of the Company as at 26 May 2023 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at the 26<sup>th</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 26<sup>th</sup> AGM.
5. Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
6. Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
  - (i) the securities account number;
  - (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
  - (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.
8. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

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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

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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 instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 26<sup>th</sup> AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 26<sup>th</sup> AGM or not later than Wednesday, 31 May 2023 at 10:30 a.m.:
  - (a) **In hard copy form**  
Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;
  - (b) **By electronic means via TIH Online**  
By electronic means to the electronic address at Tricor's TIH Online website at <https://tiah.online>. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms; and
  - (c) **By electronic means via email**  
By electronic mail (email) to Tricor's email address at [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com) to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 10(a) above.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 26<sup>th</sup> AGM will be put to vote by poll.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 26<sup>th</sup> AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the 26<sup>th</sup> AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26<sup>th</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 any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# PERSONAL DATA PROTECTION NOTICE

This Personal Data Protection Notice ("Notice") is issued to all shareholders (including substantial shareholders) ("Shareholders") of WARISAN TC HOLDINGS BERHAD ("Company", "WTCH", "we", "us" or "our") in accordance with the Personal Data Protection Act, 2010 ("Act") which came into force on 15 November 2013. The Act regulates the processing of personal data and requires us to notify you on matters relating to your personal data that is being processed, or that is to be collected and further processed by us. For the purpose of this Notice, the terms "personal data" and "processing" used in this Notice shall have the meaning prescribed in the Act.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has also on 15 November 2013 amended the Main Market Listing Requirements ("Listing Requirements") consequential to the Act. Under Paragraph 2.14A of the Listing Requirements, any person who provides or has provided personal data to Bursa Malaysia should read and be aware of Bursa Malaysia's personal data notice available at Bursa Malaysia's website [www.bursamalaysia.com](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.

Your written requests or queries pertaining to your personal data should be addressed to:

Tricor Investor & Issuing House Services Sdn Bhd  
[Registration No. 197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
Attention : 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.

## 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"):

- Mematuhi Akta Syarikat 2016, Keperluan Penyenaraian dan undang-undang, peraturan-peraturan dan garis panduan berkaitan yang mungkin dipinda dari semasa ke semasa;
- Pengesahan maklumat kepada pihak berkuasa dan agensi kerajaan;
- 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;
- Pembayaran dividen dan manfaat lain kepada anda sebagai Pemegang Saham, jika berkenaan;
- Mengekal, menyelia dan mengemaskinikan rekod kami yang berkaitan dengan maklumat-maklumat Pemegang Saham; dan
- Untuk berurusan dengan semua perkara yang berkaitan dengan pegangan saham anda dalam WTCH; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.

Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang diberi oleh anda serta maklumat lain yang mungkin kami perolehi berkenaan anda.

Maklumat peribadi anda mungkin dizahirkan oleh kami untuk Tujuan di atas kepada pihak lain termasuk dan tidak terhad kepada syarikat-syarikat dalam Kumpulan WTCH (sama ada pada masa kini atau masa depan), penasihat profesional, syarikat-syarikat insurans, juruaudit, peguam, bank, pendaftar saham dan pembekal perkhidmatan lain, semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga, sebagaimana yang dikehendaki undang-undang atau timbul daripada apa-apa kewajipan undang-undang yang dikenakan ke atas Kumpulan WTCH. Data peribadi anda mungkin akan dipindahkan ke suatu tempat di luar Malaysia.

Sekiranya anda gagal membekalkan data peribadi anda kepada kami, kami mungkin tidak dapat memproses data peribadi anda bagi mana-mana Tujuan tersebut.

Kami akan memastikan semua data peribadi anda disimpan dengan selamat. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan dikemaskini.

Adalah dimaklumkan bahawa anda mempunyai hak untuk meminta akses dan membetulkan data peribadi anda atau menghadkan pemprosesan data peribadi anda.

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Tricor Investor & Issuing House Services Sdn Bhd  
 [Registration No. 197101000970 (11324-H)]  
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Dengan membekalkan data peribadi anda kepada kami, bermaksud anda bersetuju membenarkan kami memproses data peribadi anda selaras dengan apa-apa yang dinyatakan di atas. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung WTCH bagi pihak anda sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Mengikut Akta tersebut, Notis ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan diguna pakai.

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