ASIAN PAC HOLDINGS BERHAD
(COMPANY NO. 129-T)

2016 ANNUAL REPORT

AT THE HELM OF DYNAMIC DEVELOPMENTS

CONTENTS

ACCOLADE OF EXCELLENCE

In April 2016, the Group's flagship development KK Times Square 2 ("KKTS 2") project had bagged 4 categories awards of excellence in the International Property Awards 2016 Asia Pacific Region. This annual event celebrate the highest levels of achievement by companies operating in all sectors of the property and real estate industry. International Property Awards is a world-renowned mark of excellence which covers the continents from Africa, Asia Pacific, Arabia, Canada, Caribbean, Central & South America, Europe, UK and USA. It is our great pleasure to announce that the Loft @ KKTS 2 garnered 2 Highly Commended Awards in respect of Leisure Development Malaysia category and Leisure Interior Malaysia category. Imago Mall had also won the 5 Star Achievement for Best Retail Architecture Malaysia and Best Retail Development Malaysia categories. Imago Mall was also nominated as the Asia Pacific region nominee in the Best Retail Development category. The winner for the International level will be announced by the year end of 2016.

AGE OMNE BONUM
ASIA PACIFIC PROPERTY AWARDS
DEVELOPMENT
in association with
The Telegraph
HIGHLY COMMENDED
LEISURE DEVELOPMENT MALAYSIA
The Loft
by Asian Pac Holdings Berhad
2016-2017
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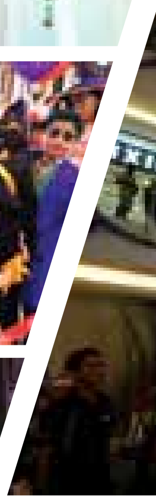
ARCHITECTURE
in association with
The Telegraph
★★★★★
BEST RETAIL ARCHITECTURE MALAYSIA
Imago Mall
by Asian Pac Holdings Berhad
2016-2017

E V

Since its launching in 2015, Imago Shopping Mall has organized various successful and exciting events at the Oval, Ground Floor with creative and beautiful decorations and fun-filled activities.

Many exciting activities and performances were held with participation from the shoppers for events such as lucky draw, Facebook questionnaires activity, Tourist Gift Redemption, East Malaysia Talent Star 2015, Imago Fantasy League 2015/2016 contests with gifts and vouchers throughout the year.



HALLOWEEN ►

▲ SHUI LI FANG CUP

ENT
HIGHLIGHTS

RAINFOREST CHALLENGE

CHRISTMAS

Our Halloween & Christmas events were one of many events that were well received with overwhelming participation! These events has helped put Imago on the map as the centre of entertainment and increase footfall into the Mall.

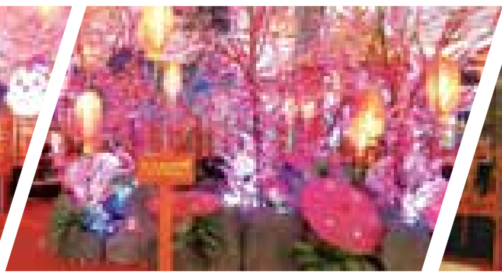
E V

2016

Year of Monkey

IMAGO CHINESE NEW YEAR

Imago Shopping Mall celebrated Chinese New Year this year with a Chinese Garden decoration for the year of Monkey. There were many exciting activities lined up and also price redemption of the limited edition of Imago Ang Pow. Performances such as the lion and dragon dances were carried out around the Mall from 6th to 9th February 2016 to add flavours to the festive celebration.



ENT
HIGHLIGHTS

EARTH HOUR

E V

1st Anniversary

IMAGO SHOPPING MALL

Imago Shopping Mall celebrated its very First Anniversary with a theme "Intensification" for a great year since its opening on 28 March 2015. A concept of a Giant Birthday Cake celebration along with a garden filled with various types of flowers and butterflies to signify the growing tenants and shoppers in Imago Shopping Mall.

ENT
HIGHLIGHTS

◄ **ARAMATI ZONE**

▲ **OLD TOWN FOOD STREET**

We have established an Aramati Zone known to the local as "Imago Art & Food Street" on the Ground Floor overlooking the gorgeous view of South China Sea and an Old Town Food Street on Second Floor which provides the shoppers and tourists with a variety of local delicacies.

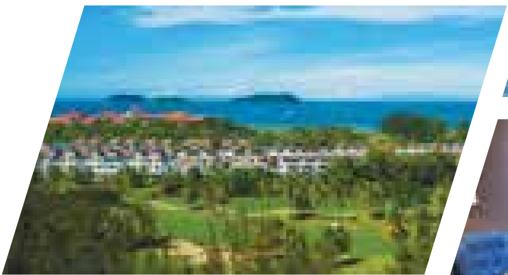
Many new F&B names were also introduced to Kota Kinabalu, Sabah such as Dragon-I, Souled Out, Shojikiya and Army Navy burger chain store.

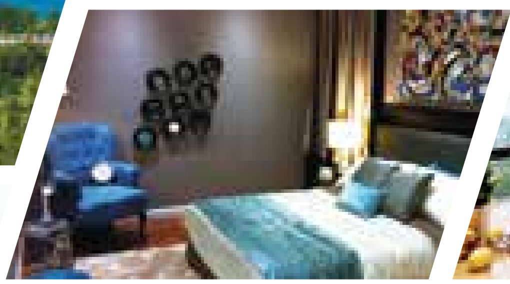
PRO

Kota Kinabalu's Crown Jewel

THE LOFT RESIDENCE

The loft offers a space that refreshes and inspires daily through a vibrant mixed landscape of Signature Offices, Street Walk Boulevard with vast leisure spaces creating a fully integrated lifestyle. An immersive setting of sublime style infused with a sumptuous green scape of the pristine 3.5-acre elevated Eco Deck and modern facilities such as gym, interactive playground, infinity pool and a covered link walkway.





Consisting of 631 units within the integrated hub of KK Times Square, The Loft offers a life that envelopes your living space, with lavish view of the adjacent golf and country club. A life close to the city and the sea, stay connected to the Kota Kinabalu city centre via a leisurely drive along the new linked bridge and new coastal highway that is only 10 minutes away.

The Loft Residences has emerged to be the crown jewel of Kota Kinabalu offering not only a modern, vibrant, and integrated lifestyle but also the most prestigious lifestyle address.

JECT HIGHLIGHTS

Centrepoint of Eminance

DATARAN LARKIN

Situated in Johor's commercial heart, this highly sought after commercial Launchpad in the heart of Johor Bahru boasts a strategic location and cutting-edge design that gives the utmost flexibility and entrepreneurial advantage to your business. This strategic modern avenue of business opportunities consisting of 109 units of 2 & 3 storey shop office sits on 11.68 acres of prime freehold land in Johor Bahru.

With 100% sales since its launched in the 2nd quarter of 2012, block 1 through 8 with its high end frameless glass façade, makes it the ideal location for a Premium Retail Executive Suites and Boutique Showroom.

Following success of Block 1-8, Block 9, 10 & 11 consisting of 30 units of 3 storey Premium Boutique and Showroom Commercial Suites was launched soon after and sales have reached nearly half of the available units. The column-less walkway maximizes the viewing angle of the business unit front to ensure that it gets all the exposure it demands.

Nestled in a strategic location with superb accessibility that boasts the advantage of being just next to Larkin Sentral which commands high traffic volumes and in a catchment area of more than 100,000 households, Dataran Larkin is poised to become the new commercial landmark.

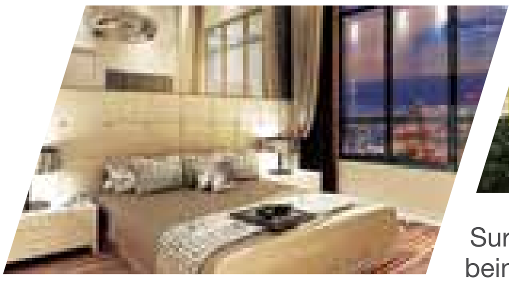
PRO

Rediscover Serenity Amidst Vibrancy

FORTUNE PERDANA

Sited at the edge of the urban lifestyles and blissful surroundings, Fortune Perdana Lakeside seamlessly melds two worlds into one desirable living space. An iconic new addition to the fortune developments, Fortune Perdana promises to be one of Kepong's most eminent residential address.

Comprising an integrated mixed development of 36 units of shop offices and 3 blocks of serviced residences totalling 576 residential units overlooking the lush Kepong Metropolitan Park and bustling cityscape, Fortune Perdana is the ideal space for you to relish a taste of green paradise amid modern comforts.



Surrounded by the dynamic urban infrastructure of Kepong, its location being strategically connected through a network of highways and roads enabling the oppourtunity of coming home to the sweet escape of nature and hectares of sprawling greenery at the grasp of one's fingertips. With design features that are certified to be the Gold Status Green Building Index ensures an environmentally designed building that makes better usage of its green resources.

Its meticulously designed 2 acre Eco Deck incorporates both a green landscape and contemporary living where residents come together to unwind in a setting of lush greenery.

Projected to be completed in 2017, sales for Fortune Perdana is 100% sold out.

JECT
HIGHLIGHTS

Upcoming Project

KINARUT

This exquisite project is adjacent to the KK City and several attractions and therefore is well-poised to take KK South to the next level and create a life fueling hub.

A mixed development of Commercial and Residential units to be built over 3 phases. Phase 1 consist of 40 units of Shop Offices with modern and practical architectural design that intends to allow business users to display their wares with maximum exposure.

Phase 2, 118 units of landed property which will complement the commercial component ensure a vibrant and booming development. Phase 3, a high rise condominium that would offer a glimpse of the sea as it sit at the very crest of the development. All in all, the Zil promises to be the next major development that will transform the landscape of KK South.

DAMANSARA DAMAI

Strategically situated amid the vibrant Damansara shopping enclave, Damansara Damai is the home that offers a thriving lifestyle against the backdrop of green views. Its well-connected location via major highways and arterial roads deem Damansara Damai a stunningly practical yet contemporary habitat of signature residences and boutique shop lots. Tucked away from the city's bustle, yet within the urban connectivity of Damansara.

Consisting of 525 units ranging from 2 bedrooms to 3+1 bedrooms, Damansara Damai promises to be the next major development that will transform the Damansara landscape.

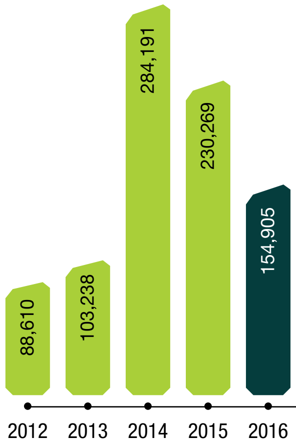
KEPONG

Located in a matured, diversed and ever-growing locality, Kepong is the new hotspot of Kuala Lumpur, being situated approximately 6 kilometres from Kuala Lumpur City Centre. A myriad of major developments are shifting into this suburban enclave, transforming it into a dynamic district that is full of promise.

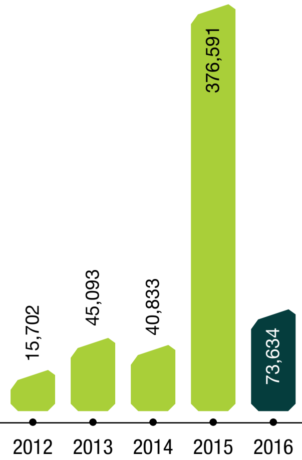
As Asian Pac aspires to be at the forefront of this transformation, it will soon unveil its next major milestone with Kepong B3, a mixed development of 462 residential units and 38 shop lots that is uniquely designed and will be the next major icon in Kepong.

By walking hand in hand with the Kepong community into a brighter future, the growth of the community is our growth.

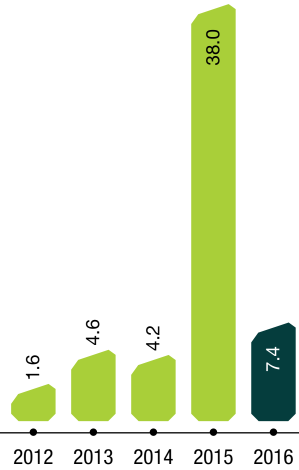
The checkpoint of TOMORROW
be the prime witness of the FUTURE



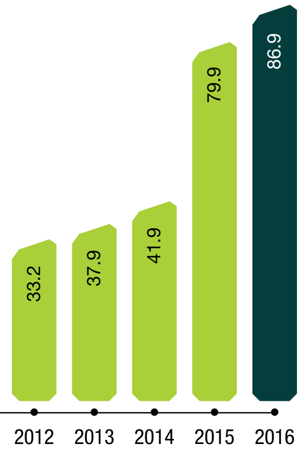
REVENUE (RM'000)



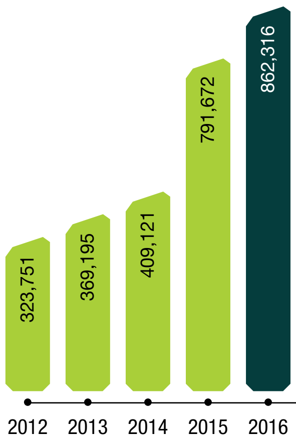
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS (RM'000)



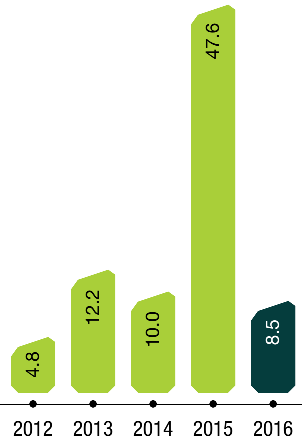
EARNINGS PER SHARE (SEN)



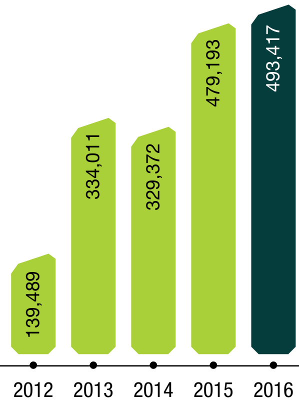
NET ASSETS PER SHARE (SEN)



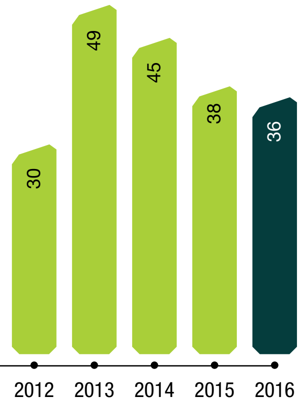
SHAREHOLDERS' EQUITY (RM'000)



RETURN ON EQUITY (%)



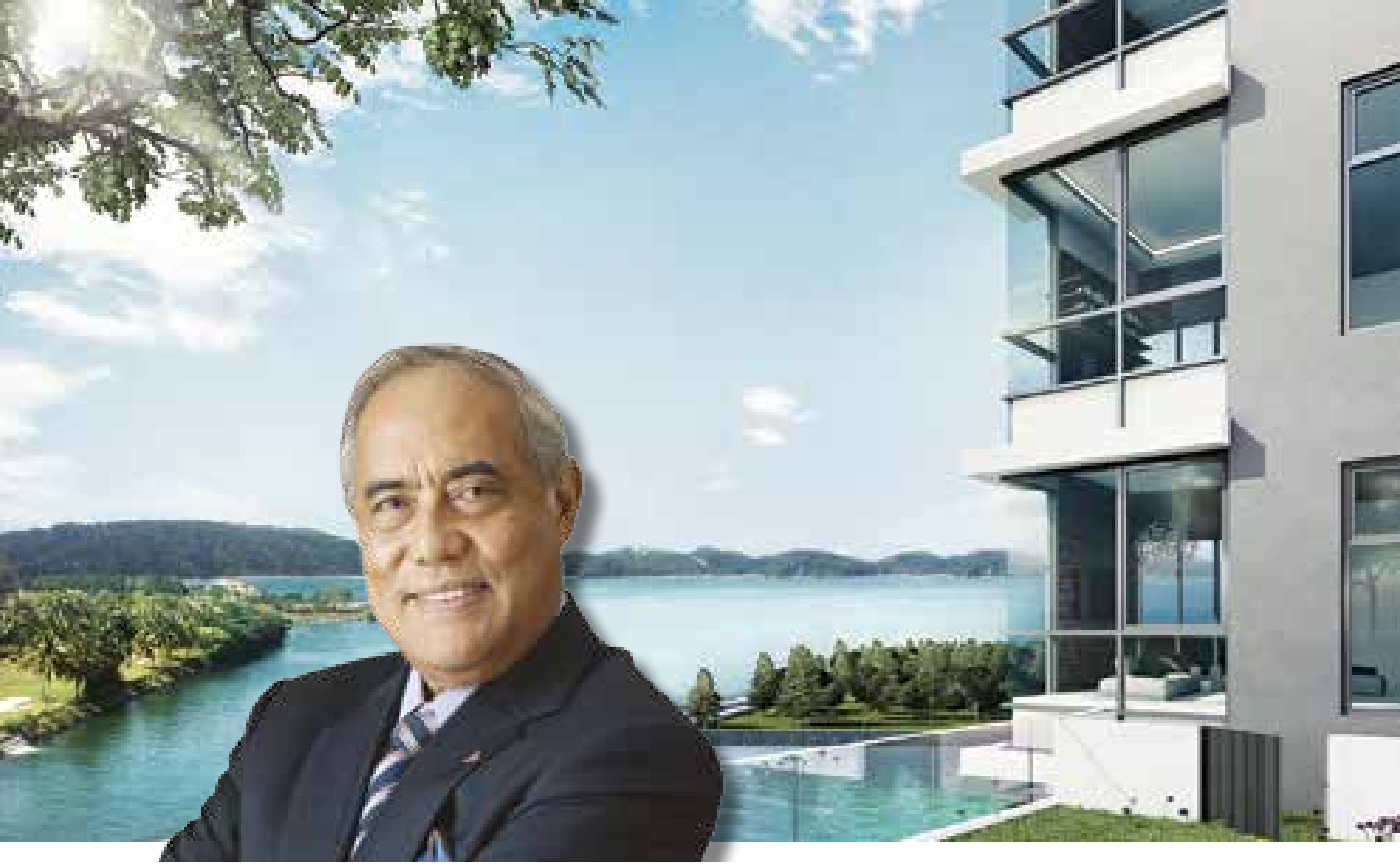
NET DEBT (RM'000)



GEARING RATIO (%)

5 YEAR GROUP FINANCIAL HIGHLIGHTS

Financial Years Ended 31 March	2012	2013	2014	2015	2016
Revenue (RM'000)	88,610	103,238	284,191	230,269	154,905
Net Profit Attributable to Equity Holders (RM'000)	15,702	45,093	40,833	376,591	73,634
Earning Per Share (Sen)	1.6	4.6	4.2	38.0	7.4
Net Assets Per Share (Sen)	33.2	37.9	41.9	79.9	86.9
Shareholders' Equity (RM'000)	323,751	369,195	409,121	791,672	862,316
Return on Equity (%)	4.8	12.2	10.0	47.6	8.5
Net Debt (RM'000) (Note 36, Page 148)	139,489	334,011	329,372	479,193	493,417
Gearing Ratio (%) (Note 36, Page 148)	30	49	45	38	36



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it is my pleasure to present the annual report of Asian Pac Holdings Berhad and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2016.

Tan Sri Dato' Seri Hj Megat Najmuddin
Bin Datuk Seri Dr Hj Megat Khas
(Chairman)

PERFORMANCE REVIEW

For the financial year ended 31 March 2016, the Group recorded a turnover of RM154.9 million, 33% lower than the revenue of RM230.3 million recorded in the previous financial year. The decrease in revenue was mainly attributed to a lower revenue contribution from property development division as the Group had taken a decision to defer the launching of Ava Damansara project.

In tandem with the revenue, the Group's profit before tax dropped by 83% to RM88.1 million from RM528.8 million recorded in the previous financial year. The decrease was largely attributed to a lower net fair value gain on investment properties of RM103.1 million in current financial year against the fair value gain on investment properties of RM519.4 million recorded in the previous year.

PROPERTY DEVELOPMENT

Property development is one of the Group's core business and it is the main contributor of revenue in the current financial year. Our property development operations are predominantly in the Klang Valley, Kota Kinabalu and Johor Bahru. The ongoing projects for the current year are:

FORTUNE PERDANA @ LAKESIDE, KUALA LUMPUR

Fortune Perdana is a mixed development project on a 6-acre leasehold land located in Kepong Entrepreneurs' Park. The project consists of 36 units of shop-office and 3 blocks of 576 units of serviced residence overlooking the Kepong Metropolitan Park with a GDV of approximately RM380 million.

In the current financial year, Fortune Perdana was the main revenue contributor of RM70.4 million, representing 60% of the property development division's revenue. Construction works has reached approximately 72% currently and the project is expected to be completed by the 1st quarter of 2017.

DATARAN LARKIN @ JOHOR BAHRU

Dataran Larkin is a 2-phase development of shop-office on a 11.68-acre freehold land in Larkin, Johor Bahru. Phase 1 consisted of 79 units of 2 and 3-storey shop-office with a GDV of approximately RM110 million was completed and handed over to purchasers in 2015.

Phase 2 of Dataran Larkin which consists of 30 units of 3-storey premium boutique and showroom commercial suites was officially launched in the fourth quarter of 2015. The work completed to date is 81% and is expecting vacant possession by 4th quarter 2016.

We have achieved more than 50% sales to date and will continue to optimise the sales strategy to complete the sales and outperform the current lacklustre performance in Johor Bahru's commercial property sub-sector of the market.

THE ZIL @ KK SOUTH, KOTA KINABALU

The Zil @ KK South is the latest project and is sited on a 16.7 acres leasehold-land located in the growth suburb of Kinarut, about 15 minutes' drive from Kota Kinabalu International Airport, Sabah and fronting the Pan Borneo Highway.

The project is a 3-phase mixed-development where Phase 1 is a retail-commercial hub consisting of 40 units of 3-storey retail shops with a GDV of approximately RM63 million. Launch is targeted to be in the second-half of 2016. Phase 2 is a landed residential development consisting of 118 units of 3-storey terrace house with a GDV of approximately RM65 million. Launch is targeted to also be in the second-half of 2016. Phase 3 is currently planned for a high-rise residential development consisting of approximately 300 condominium units with an estimated GDV of approximately RM135 million, therefore giving a potential total GDV of RM263 million.

We are excited to launch this development at KK South that will benefit from the government development of the Pan Borneo Highway as we continue our commitment to develop exciting properties and become an established developer in Kota Kinabalu after our recent completion of the Group's flagship KK Times Square development. Within proximity to Putatan, Penampang and Lok Kawi, and as a self-sustaining development with varied commercial and residential products along with creative design and functional features, we believe there is potential for value enhancement for the purchasers.

AVA DAMANSARA @ DAMANSARA DAMAI

Ava Damansara is a high-rise mixed-development to be undertaken on a 6.5-acre leasehold land surrounded by lush greenery in Damansara Damai. The proposed development is 2-blocks of 520 units of condominium and 13 units of shop lot with targeted GDV of RM329 million.

We are fine-tuning the product to better attract the astute purchasers prior to the launch given the softer market conditions. In the financial year 2016, we have cautiously decided to defer the sale launch of this project to steer clear from the headwind on the impact of the GST had on material and labour cost and the stricter financing requirements by Bank Negara that poses a great challenge to the sales of the project. Nonetheless, we will continue to monitor the market environment to determine the launch of the project.

KEPONG PHASE B3

Kepong Phase B3 is also a high-rise mixed-development to be undertaken on a 3.0-acre leasehold land in Kepong next to the Jalan Kepong main road behind Aeon Big. The project location is strategically situated between two MRT stations of the Sungai Buloh-Serdang-Putrajaya Line (SSP Line). The project consists of 2 blocks of 480 units of condominium and 26 units of shop lot with targeted GDV of approximately RM270 million. It will be a project that will introduce innovative and high-value products for both own-use and investors as we continue to establish ourselves in Kepong.

Currently, the Group has approximately 544 acres of land bank in Klang Valley and Negeri Sembilan, with approximately 26 acres land in pre-development stage and balance 9 acres of land in the midst of final development stages. The Group is also pushing forward with the development of the land in Labu, Negeri Sembilan, which has reached maturity given its proximity to nearby developments such as Bandar Ainsdale and Seremban 2.

PROPERTY INVESTMENT

IMAGO MALL @ KK TIMES SQUARE 2 ("IMAGO MALL")

Imago Mall opened to the public on 28 March 2015, and is the one and only non-strata lease-only shopping mall in Sabah, with a net leasable area of 800,000 square feet of retail space with more than 300 retail outlets.

In the past one year since its launch on 28 March 2015 , we have upgraded the facilities at the ground floor street walk area such as installation of giant outdoor fans, water features, landscape and wooden benches to enhance the features of the surrounding, making this zone, Aramaiti, a bustling place. We have also introduced a zone, dubbed the "Old Street", on second floor with hawker-style foods to bring in the lunch crowd as well as catering to tourists to savour local delicacies in a mall environment. The mall shall be periodically improved and upgraded as it is our belief and commitment to make Imago the most attractive, innovative and shopper-friendly one-stop shopping mall in Kota Kinabalu.

In the last one year, our in-house operations team have added more exciting food and beverage options such as Army Navy Burger+Burrito, a fast food chain from Philippines who opened its first outlet in Malaysia, Souled Out and Dragon-I, both having their first outlet in East Malaysia respectively along with a few other trendy bar and bistros such as Ebizou.

MALL OPERATION

We pride ourselves on being the owner and manager of the first non-strata lease-only shopping mall, Imago Mall. In the current financial year, the Group has recorded revenue of RM29.5 million from mall operations. Profit from operation was RM13.4 million. Imago Mall enjoys a healthy occupancy rate of 89% in the financial year 2016 with quality tenant mix.

Moving forward, the Ministry of Tourism and Culture has allocated RM1.2 billion to implement various programmes and events to achieve 30.5 million tourists arrivals with a target contribution of RM103 billion in revenue. We expect this to contribute further to the growth of Imago Mall, and, hence, bring positive results. Imago is growing in stature with hotels, such as Sutera Harbour, making Imago Mall a stop in their shuttle bus service for their guests.

CAR PARK OPERATION

During the year, we rationalised the car park operation for administrative effectiveness and management efficiency. The rationalisation exercise, inter alia, involved assets regrouping, in-house managing and equipment upgrading. We are proud to be the first carpark operator who implemented the parking guidance system and panic button security system in the Imago Mall car park in Kota Kinabalu, Sabah.

We have also upgraded our carpark equipment to be a fully automated pay system for Signature Office @ KK Times Square and Karamunsing Capital car park.

We are aware of customers' feedback regarding the traffic flow in the car park of Imago Mall and we are now in the midst of finalising the traffic study and working with local authorities to improve the traffic flow due to the bottleneck at the main road.

The car park operations recorded a revenue of RM2.4 million in the current financial year, a decrease of 25% as compared to previous year of RM3.2 million. However, profit before tax increased by 20% from RM1.5 million to RM1.8 million arising from lower operational cost as a result of the rationalisation exercise.

Currently, with more than 3,700 car park bays managed in-house, we expect the car park operation to grow and to contribute a steady stream of recurring income to the Group with Imago Mall no longer offering free parking.

ACCOLADE OF EXCELLENCE

In April 2016, KK Times Square 2 project bagged 4 awards of excellence in the International Property Awards 2016 Asia Pacific Region. This annual event celebrates the highest levels of achievement by companies operating in all sectors of the property and real estate industry. International Property Awards is a world-renowned mark of excellence which covers the continents from Africa, Asia Pacific, Arabia, Canada, Caribbean, Central & South America, Europe, UK and USA.

Imago Mall won the 5-Star Best Retail Architecture Malaysia and 5-Star Best Retail Development Malaysia, while The Loft Residences obtained Highly Commended in the Leisure Development Malaysia and Leisure Interior Malaysia categories respectively. Imago Mall will proceed to compete in the Asia Pacific level.

We are committed to deliver more promising, exciting and potentially award-wining projects to continue to elevate the Group to greater heights of achievements.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Notwithstanding the moderation in the economic performance in 2015, our commitment to our communities is relentless.

We continue to support community activities in the form of contributions to approved charity and welfare organisations such as Sabah Council of Social Services. Earlier this year, we sponsored a very meaningful social event organised by University College Sabah Foundation, the premiere screening of the "Into The Wild of Borneo", a world-class documentary showcasing Sabah's natural beauty and its rich cultural heritage. The event was officiated by Sabah Chief Minister Y'Bhg Datuk Seri Panglima Musa Haji Aman. The documentary film was co-produced by Paris based F-Productions and Mapuche Productions.

This year, we have put in place a Continuous Professional Development (CPD) Programme for all employees to improve on their professionalism and industry-knowledge as well as keeping abreast with latest industry developments.

We take safety and health at workplace seriously, not only applicable to our project site but the same strict discipline to our corporate and administrative workplace. There will be at least 2 fire marshals assigned to our employees for each office floor to direct the evacuation procedures in the event of an emergency or fire situation. During the year, we have performed a fire drill exercise together with Bomba officials at our head office and operation office inside the shopping mall. The fire drill exercise for Imago Mall and the tenant employees turned out to be a successful and commendable event that even received coverage by local media.

The Group's Sports Club had organised team building event and family day for the purpose of encouraging interaction and forging better understanding amongst colleagues. Gatherings and sporting events were also frequently organised to strengthen unity, improve cohesiveness and better understanding of the diverse and rich cultures in the Group.

The Sports Club also organised trips to Persatuan Kebajikan Kanak-Kanak Istimewa Insan (Rumah PKKII), Rumah Warga Emas NASCOM (RWEN), Pertubuhan Kebajikan Insan Istimewa Kuala Lumpur/ Sunteck Handicapped Welfare Home and Rumah Penyayang Darul Ilmi Gombak.

OUTLOOK FOR THE FOLLOWING YEAR

In 2016, the Malaysia economy is forecasted for a slower growth of 4.0% to 4.5% from 5% in the previous year. Weak global demand and low oil price were the cause for the lacklustre growth prospect. Yet, domestic demand will drive growth in 2016, sustained largely by private consumption amidst a more moderate growth. In the recalibrated Budget announced in January 2016, cushioning measures were introduced by the Government to enhance the households' disposal income. Public spending is expected to be more prudent this year, but will continue to be supportive and driving the overall growth. Under the 11th Malaysia Plan, we expect the Government to push ahead with key infrastructure projects, particularly the mass rapid transit, light railway system and infrastructure projects such as the Pan Borneo Highway in East Malaysia.

We expect that the weak economic indicators and cautious consumer sentiments to have an impact on the already challenging property sector, but we believe the slowdown will still be manageable given the right product, right pricing and right target audience. With unbilled sales of approximately RM248 million and with the prospective launch of The Zil @ KK South and potentially a few more with a total GDV of approximately RM862mil, the Group should see favourable results for the property development division for the second half of 2016, and spilling over to the next few years during the development period of these new projects. At the same time, the Group will continue to push ahead with the development of our existing land bank as well as look for favourable projects to grow the Group. Coupled with the expected growth in the recurring income from our mall operations and carpark operations divisions, the following year should continue to see overall positive results.

DIVIDEND

The Board of Directors does not recommend any dividend for the financial year ended 31 March 2016.

APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere gratitude to our loyal shareholders, business partners, including bankers and financiers, purchasers, contractors, suppliers and all government authorities, for the commitment, support and trust in the Group.

To the Management and team, I would like to thank them for the utmost dedication, commitment and contribution to another successful year. I believe their efforts will continue to bring growth and development to the Group as we move ahead to create new milestones and achievements.

My gratitude also goes to my fellow directors for lending their experience, wise counsel and guidance to the Group throughout the year.

Tan Sri Dato' Seri Hj Megat Najmuddin
bin Datuk Seri Dr Hj Megat Khas
(Chairman)

18 July 2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Hj Megat Najmuddin
Bin Datuk Seri Dr Hj Megat Khas
(Chairman/Independent Non-Executive Director)

Dato' Mustapha Bin Buang
(Managing Director)

Dato' Mohamed Salleh Bin Bajuri
(Independent Non-Executive Director)

Ms Tan Siew Poh
(Non-Independent Non-Executive Director)

Dr Yu Tat Loong
(Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Seri Hj Megat Najmuddin
Bin Datuk Seri Dr Hj Megat Khas
(Chairman)
Dato' Mohamed Salleh Bin Bajuri
Ms Tan Siew Poh

REMUNERATION COMMITTEE

Tan Sri Dato' Seri Hj Megat Najmuddin
Bin Datuk Seri Dr Hj Megat Khas
(Chairman)
Dato' Mustapha Bin Buang
Dato' Mohamed Salleh Bin Bajuri

SECRETARIES

Ms Chan Yoon Mun, ACIS
(MAICSA 0927219)
Ms Ooi Mei Ying, ACIS
(MAICSA 7051036)

SHARE REGISTRAR

Tricor Investor and 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
Tel No : 03-2783 9299
Fax No : 03-2783 9222

NOMINATION COMMITTEE

Tan Sri Dato' Seri Hj Megat Najmuddin
Bin Datuk Seri Dr Hj Megat Khas
(Chairman)
Dato' Mohamed Salleh Bin Bajuri
Ms Tan Siew Poh

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Dato' Mustapha Bin Buang
(Chairman)
Mr Wong Yee Kean
Ms Liew Yin Yee
Ms Gina Teoh Siok Chin
Ms Chan Yoon Mun

REGISTERED OFFICE

12th Floor, Menara SMI
No. 6, Lorong P. Ramlee
50250 Kuala Lumpur
Tel No: 03-2786 3388
Fax No: 03-2786 3386
Website: www.asianpac.com.my

AUDITORS

Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS

Malaysia Building Society Berhad
Alliance Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad
Kuwait Finance House (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

DIRECTORS' PROFILE

TAN SRI DATO' SERI HJ MEGAT NAJMUDDIN BIN DATUK SERI DR HJ MEGAT KHAS
MALAYSIAN, 72, MALE

Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas was appointed as a Non-Executive Director and Chairman of the Company on 19 October 1994. He is an Independent Director and serves as the Chairman of the Audit and Risk Management, Nomination and Remuneration Committees of the Company.

He holds an Honours Degree in Law from the University of Singapore. He was a lawyer by profession and practiced for 14 years until 1986 when he went into full time politics. He was formerly the State Assemblyman of Kelana Jaya, Selangor for two terms (1986 – 1990 and 1990 – 1995).

He was appointed Executive Committee Member of the Federation of Public Listed Companies Berhad (FPLC) in August 1994 and elected President in October 1997. He represents this organization to the High Finance Committee of the Ministry of Finance. Further, he was also one of the first members of the Management Committee of the Malaysian Institute of Corporate Governance (MICG), and was elected President in April 1998. In addition, he was appointed as a member of the National Economic Consultative Council 2 (NECC 2) by the then Prime Minister, where he was involved in the Human Resource Development Committee. In September 1999, he was appointed to the Capital Market Strategic Committee by the then Finance Minister and in August 2001, he was appointed as a member of the Corporate Debt Restructuring Committee (CDRC) of Bank Negara. He was on the Listing Committee of the then KLSE for nearly ten (10) years.

He sits as trustee for three (3) charitable foundations, namely, Mykasih (Charity) Foundation, Tan Sri Muhyiddin Charity Golf Foundation and the Vijayaratnam Foundation. He also sits as trustee for Quest International University Perak.

Tan Sri Dato' Seri Hj Megat Najmuddin also holds directorships in SEG International Bhd (Chairman), Omesti Berhad (Chairman), MajuPerak Holdings Berhad (Chairman) and Petroliam Nasional Berhad (PETRONAS).

Tan Sri Dato' Seri Hj Megat Najmuddin attended all the 5 board meetings which were held in the financial year ended 31 March 2016.

He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has a personal interest. He does not have any convictions for offences within the past ten (10) years.

DATO' MUSTAPHA BIN BUANG
MALAYSIAN, 68, MALE

Dato' Mustapha Bin Buang is the Managing Director of the Company. He first joined the Board as a Non-Executive Director on 14 October 1994. He is a member of the Remuneration Committee and the chairman of the Employees' Share Option Scheme Committee.

He holds a degree in Economics from University Malaya. After graduation in 1972, he joined the Johore State Government as an Economic Planner. He then joined the finance industry from the year 1974 holding senior management position and gathered 16 years experiences in the finance sector. Besides he holds directorships in several private limited companies, he was Deputy President of Tan Sri Muhyiddin Charity Golf Foundation since 2006 until 2013. Presently he sits as Committee Member of Board of Trustee of Tan Sri Muhyiddin Charity Golf Foundation since 2010 and also sits as Trustee/Board of Yayasan Nurul Yaqeen since January 2005.

Dato' Mustapha attended all the 5 board meetings which were held in the financial year ended 31 March 2016.

Dato' Mustapha does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has a personal interest. He does not have any convictions for offences within the past ten (10) years.

DATO' MOHAMED SALLEH BIN BAJURI
MALAYSIAN, 65, MALE

Dato' Mohamed Salleh Bin Bajuri was appointed as an Independent Non-Executive Director of the Company on 27 March 2001. He is also a member of the Audit and Risk Management, Nomination and Remuneration Committees of the Company.

He obtained his Chartered Accountant qualification from the Institute of Chartered Accountants, Ireland in 1978.

He began his career in Malaysia in 1978 with Peat Marwick & Co. as Senior Audit. In 1979, he joined Mayban Finance Berhad as Manager and was later promoted to General Manager in 1982. He was then promoted to General Manager of Malayan Banking Berhad in 1988 and worked in this position until 1992. Upon resigning from Maybank in 1992, he was appointed as Managing Director of JB Securities Sdn Bhd, a stockbroking firm which he was a founder member. After disposing of his equity stake in the said stockbroking firm in 1995, he joined a property development and property management company - CRSC Holdings Berhad as an Executive Director. Presently, he holds the position of Deputy Chairman of CRSC Group of Companies.

In the past, Dato' Salleh had served the society/body as follows:
- Alternate Chairman of the Association of Finance Companies in Malaysia (AFCM) from 1982 to 1987;
- Chairman of the AFCM Committees for Education and Public Relations from 1982 to 1987;
- Director of Saham Sabah Berhad from 1997 to 1999;
- Trustee for Tabung Anak-Anak Melayu Pontian from 1995 to 2006;
- Yayasan Kebajikan SDARA from 1997 to 2002; and
- Chairman of Agro Bank Malaysia (formerly known as Bank Pertanian Malaysia Berhad) from 2008 until June 2010.

Currently, he is a member of the Board of Trustee and Treasurer for Tan Sri Muhyiddin Charity Golf Foundation. And he is also a Director of Eden Inc. Berhad, Harbour Link Group Berhad, SAM Engineering & Equipment (M) Bhd and Milux Corporation Bhd, all public companies listed on Bursa Malaysia Securities Berhad.

Dato' Salleh attended all the 5 board meetings which were held in the financial year ended 31 March 2016.

Dato' Salleh does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has a personal interest. He does not have any convictions for offences within the past ten (10) years.

DIRECTORS' PROFILE

TAN SIEW POH
MALAYSIAN, 53, FEMALE

Ms Tan Siew Poh was appointed to the Board of the Company as Non-Independent and Non-Executive Director on 18 March 2008. She is also a member of the Audit and Risk Management Committee and Nomination Committee of the Company.

Ms Tan graduated from the University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Economics and is a Certified Practising Accountant. She is a member of the CPA Australia and Malaysia Institute of Accountants. Ms Tan commenced her career with Prudential Assurance Berhad for about three years in the Investment Division before moving on to join the Corporate Finance Division in Asian International Merchant Bankers Berhad in 1990. Ms Tan then joined Rashid Hussein Securities Sdn Bhd in 1993 and last held the position of Assistant General Manager of Corporate Finance, before moving on to oversee the Corporate Planning Division of the group in 1996. Presently, she is also a director of South Malaysia Industries Berhad.

Ms Tan attended all the 5 board meetings which were held in the financial year ended 31 March 2016.

Ms Tan does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement with the Company in which she has a personal interest. She does not have any conviction for offences within the past ten (10) years.

DR YU TAT LOONG
MALAYSIAN, 40, MALE

Dr Yu Tat Loong was appointed to the Board of the Company as Executive Director on 28 May 2013.

Dr Yu first graduated with a B.Eng in Civil Engineering from the University of Bath, UK, before proceeding directly to obtain his Ph.D from University of Cardiff with his research on aerospace structures and optimisation algorithms. He is a member of The Royal Institution of Chartered Surveyors (MRICS) and has over 10 years of professional experience in real estate development and management projects in countries like China and Malaysia.

He possesses vast experience in design, planning and construction of real estate as well as overall management from leasing to marketing, property management to engineering maintenance of retail, office and hospitality with total assets value worth more than USD800 million.

Dr Yu attended all the five (5) board meetings which were held in the financial year ended 31 March 2016.

He does not have any family relationship with any Director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement with the Company in which he has a personal interest. He does not have any conviction for offences within the past ten (10) years.

The Board is committed to comply with the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or "the Code"); in order to ensure that a good corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities in ensuring continuous and sustainable growth for the interests of all its stakeholders.

The Board is pleased to report on the manner how the Group had applied the principles and the extent of the compliance with the recommendations of MCCG 2012 throughout the financial year ended 31 March 2016.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and Management

The Board takes cognizance of its roles and responsibilities in discharging its fiduciary duties and leadership functions. The Board together with Management, through the Standard Operating Procedures, has established the division of roles and functions in managing the Group. The Board is responsible for oversight and overall management of the Group, whilst the Management carries out the delegated duties to achieve the Group's corporate objective with long term strategic plans of the business.

There is a clear segregation of responsibility between the Board Members in the Group where;

- **The Chairman** is an Independent Non-Executive Director of the Company, mainly responsible for the effective performance of the Board, ensures the integrity of the governance process and issues and act as a facilitator of board meetings.

- **The Managing Director ("MD")** is primarily responsible for the Group's business performance and manages the Group in accordance with the strategies and policies to ensure that the highest standard of conduct and integrity is maintained. He drives, change/innovate and grow with the Company together with the Executive Director.

- **The Executive Director ("ED")** is involved in leadership roles overseeing the day-to-day operations and management within his assigned responsibilities. He liaises frequently with the Managing Director and with each other to lead the Management to drive the Company and the Group forward.

- **The Non-Executive Directors** contribute their particular expertise and experience in developing the business strategy and enhance the corporate governance and controls within the Group via their participation in the Board Committees.

1.2 Board Roles and Responsibilities

The Board recognizes the key role it plays in charting the strategic direction of the Company in discharging its fiduciary and leadership functions as set out in the Board Charter. The key responsibilities of the Board include:

(a) Reviewing and adopting a strategic plan for the Group

The Board plays an active role in the development of the Group's business strategy. It has in place an annual budget, whereby Management presents to the Board its recommended and proposed business plans for the following years. The Board reviews and deliberates upon both Management's and its own perspectives, as well as challenges the Management's views and assumptions, to deliver the best outcomes. The Board approves the annual budget for the coming years including major capital commitments and capital expenditure.

In May 2016, Management presented the annual budget for Financial Year Ending ("FYE") 2017 to 2020 to the Board. The Board deliberated and approved the proposed annual budget at this meeting.

The Board conducted a quarterly review of the annual budget against the actual performance for the year to date. The Board reviewed the sustainability, effectiveness and implementation status of the FYE 2016, and provided guidance and input to Management, taking into consideration the developments in the market and economy. In its review, the Board also discussed strategy implementation processes, identifying the internal and external factors which had supported various achievements in the past, or will constitute future challenges for Management. The Board also gave feedback on focus areas, key initiatives and roadmap in planning for the following year's budget.

(b) Overseeing the conduct of the Group's businesses

The MD and ED are responsible for the day-to-day management of the business and operations of the Group; with the assistance of the Task Force Committee. The Board is kept informed of key strategic initiatives, significant operational issues and the Group's performance based on the annual budget. The relevant members of the Management were in attendance at Board Meetings where necessary to support the MD and ED in presenting the updates on the progress of key initiatives, business targets and achievements to date, to provide clarification on the challenges and issues raised by the Board.

However, in regard to the following formal schedule of matters that the MD and ED will seek approval from the Board:

- Conflict of interest issues relating to a substantial shareholder or a Director;
- Material acquisitions and disposals of undertakings and properties not in the ordinary course of business;
- Material investment in capital projects;
- Annual budget (including major capital commitments); and
- Material corporate or financial exercise/restructuring.

(c) Identifying principal risks and ensuring the implementation of appropriate systems to manage the risks

Through Risk Management Working Committee ("RMWC"), the Board oversees the risk management framework of the Group. The RMWC advises the Audit and Risk Management Committee ("ARMC") and the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organization.

Details of the RMWC and the Group's risk management framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

(d) Succession planning

The Board is planning for MD/ED succession and overseeing the identification and development of executive talent. The Board is working together with the MD/ED and Human Resources Department, overseas executive officer development and corporate succession plans for the MD/ED and other executive officers to provide for continuity in senior management. The Board may review development and succession planning when needs arise.

The Board, the MD/ED and Senior Management support the succession planning which will give all employees an understanding and emphasis on the importance of succession planning to the Company. Adequate time will be provided to the selected employees for development and mentoring. The succession plan is reviewed and updated to ensure the Company re-assess the hiring needs and determine the development progress of the selected candidates.

(e) Developing and implementing a shareholder communication policy for the Group

The Company has established an email address namely query@asianpac.com.my and responsibility for the implementation of Investor Relation. The MD/ED, Chief Operating Officer and Financial Controller are responsible to communicate with audience constitutes and respond to questions in relation to the corporate strategies, developments, future prospects, financial results and plans, operation matters, etc. The Company makes use of a broad range of communication channels to disseminate information regarding the Company. These would include:

- Electronic facilities provided by Bursa Malaysia Securities Berhad ("Bursa Securities");
- Press releases;
- Corporate website;
- Emails;
- Road shows or events; and
- Annual General Meetings/Extraordinary General Meetings.

(f) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems

The Board is ultimately responsible for the adequacy and integrity of the Group's internal control system with the assistance of in-house Internal Auditor, which reports directly to ARMC.

The roles of the Internal Auditor which amongst other are:

- to review the adequacy, integrity and effectiveness of the Group's system of risk management and internal control;
- to assess the risks of the Group including financial, operational and compliance risks;
- to perform regular and systematic review of internal controls;
- to assess on the effectiveness of the systems of internal controls;
- to highlight significant risks impacting the Group with recommendation for improvement; and
- to verify compliance with established internal policies and procedures, and applicable laws, regulations and contracts.

The ARMC regularly reviews and scrutinizes the audit report by the Internal Auditor and conducts annual assessment on the adequacy of the internal auditor's scope of work and resources. They discussed on the summary of the internal auditor's findings together with the Management's responses to ensure that Management undertakes the agreed remedial actions recommended by the Internal Auditor within the agreed timelines.

The Board meets quarterly to ensure that it maintains full and effective supervision over appropriate controls. The MD/ED provides explanation to the Board on pertinent issues. In addition, the Board is kept updated on the Group's activities and its operations on a regularly basis.

1.3 Code of Ethics and implementation

The Group has in place a code of ethics for Directors and employees to govern their standard of ethics and good conduct. The code of ethics for Directors described the standards of business conduct and ethical behavior for Directors in discharging and exercising their duties and responsibilities as Directors of the Company.

For employees, the code of ethics was established in the Employees Handbook which disseminates the Company's ethical corporate culture and acceptable behavior throughout the Group.

In addition, the Board had also established a Whistleblowing Policy. The Policy is designed to provide employees/stakeholders a proper channel and guidance to raise genuine concerns, disclose any wrongdoing or misconduct, unethical behavior, malpractices, any violation of Code of Ethics, illegal acts or failure to comply with regulatory requirements. The Board and the Management assure that the whistleblowers are kept confidential and are protected from any possible reprisals or retaliations if the disclosure is genuine.

The Code of Ethics for Directors and Whistleblowing Policy are available on the Company's website, www.asianpac.com.my.

1.4 Sustainability of Business

The Board is mindful of the importance of business sustainability and ensure that there is a plan for promoting sustainability embedded in the development of the Group's strategies, taking into account of the environmental, social, cultural and governance aspects.

The sustainability initiatives and activities undertaken by the Group for the financial year ended 31 March 2016 are disclosed in the Corporate Social Responsibility provided in the Chairman's Statement of this Annual Report.

1.5 Access to information and advice

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and for an effective discharge of the Board's responsibilities.

The notice together with the agenda of the Board Meetings and other Committees' Meeting will be circulated to the Directors and Committees via email one (1) week before the meetings are held. The Board reports and minutes of respective meetings are forwarded to the Directors or Committees Members at least two (2) days before the meeting, to enable them to discuss the issues effectively at the meeting.

In developing a green environment, the Company is considering implementing a paperless meeting for the Board and Board Committee meetings in the near future. It will enable the Board to have digital access to meeting documents instead of requiring distribution of hard copies.

The Board has unrestricted access to all information within the Group. All Directors with the Chairman's prior consent are entitled to seek independent professional advice on issues whether as a full Board or in their individual capacity where they are of the opinion that professional advice is needed after having discussions with Senior Management, External Auditors and Internal Auditor, in furtherance of their duties at the Company's expense.

1.6 Qualified and competent Company Secretaries

The Company Secretaries are qualified officers to act as company secretaries under the Companies Act, 1965. The key roles of the Company Secretaries are to provide unhindered advice and services to the Directors, as and when the need arises to enhance the effective functioning of the Board and to ensure regulatory compliance. The Company Secretaries update the Board on any changes or amendments to the Companies Act, 1965, Bursa Securities Listing Requirements and other relevant regulatory requirements.

The Company Secretaries attend all Board, Committees and General Meetings and they ensure that the meetings are properly convened and accurate records of the proceedings are minuted and kept properly.

The Company Secretaries constantly keep themselves abreast of the evolving capital market, regulatory changes and the development in corporate governance through attending relevant seminars, training and professional development programmes.

1.7 Board Charter

The Board has adopted Board Charter on 25 May 2016 which outlining the Board's roles and responsibilities.

The Board Charter will be reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness and consistency with the Board's objectives.

The Board Charter is accessible for reference on the Company's website, www.asianpac.com.my.

PRINCIPLE 2 : STRENGTHEN COMPOSITION

2.1 Nomination Committee

(a) Composition and responsibilities of Nomination Committee

The Nomination Committee ("the NC") was formalized on 29 May 2002 with specific terms of reference which is available on the Company's website.

There are three (3) members comprising exclusively Non-Executive Directors as follows:

Chairman	:	Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas
Members	:	Dato' Mohamed Salleh Bin Bajuri
		Ms Tan Siew Poh

The NC's primarily duties are to:

(i) assess the effectiveness of the Board as a whole, the Board Committees notably the ARMC, NC and Remuneration Committee;

(ii) review the required mix of skills, experiences, other requisite qualities including core competencies and gender diversity of the Board;

(iii) review the contribution and performance of each Director;

(iv) assess the tenure of an Independent Director who has served the Board more than nine (9) years should the Board wish to retain him as an Independent Director; consider justification and make recommendations on the element of independence of an Independent Director;

(v) recommend the retiring director for re-election at the forthcoming Annual General Meeting;

(vi) review the structure, size and composition of the Board;

(vii) assess and make recommendation to the Board for deliberation of any proposed new appointment where due consideration is given in the required mix of skills, expertise, knowledge, experience, time commitment and gender diversity; and

(viii) review the term of office and performance of the ARMC and each of its members annually to determine whether the members of the ARMC have carried out their duties in accordance with their terms of reference.

During the financial year under review, one (1) meeting was held where all members attended the meeting and no new member was nominated.

2.2 Develop, maintain and review criteria for recruitment

(a) Selection criteria for recruitment of Directors

The appointment of any additional director is made when deemed necessary by the existing Board with due consideration given to the skills, experience, background, knowledge, integrity, core competencies and commitment (including time commitment) of the candidate that are required for an effective Board. Additionally, in the case of a candidate proposed for appointment as Independent Non-Executive Director, the candidate's independence is a priority consideration. The NC will evaluate a suitable candidate with the required credentials before recommending for appointment to the Board.

(b) Annual assessment of the Board and Board Committees and Directors

The NC facilitates and organizes the yearly Board Effectiveness Assessment and evaluation of the Board of Directors and Board Committees and self-assessment by individual directors. The objective is to improve the Board's effectiveness, identify gaps, maximize strengths and address weaknesses of the Board. The Chairman of the Board oversees the overall evaluation process and results are analysed by the NC, before being constructively tabled and communicated to the Board.

Performance indicators for the Board's effectiveness evaluation include Board's roles and responsibilities, performance which comprises strategy planning and performance, Board communications and conduct of the Board and Board Committees.

The Board's Committees effectiveness was evaluated on roles and scope, frequency of meetings, commitment which include participation and commitment, continued self-assessment and also overall effectiveness and efficiency of the Board Committees.

The self-assessment by individual directors covers areas such as contribution to interaction, roles and responsibilities, quality of input to enhance the Board's effectiveness and personal objectives target to achieve the Board's objectives.

The Board had studied the results of the evaluation and is generally satisfied with its current size as there is appropriate mix of knowledge (i.e. in the field of law, economy, financial, engineer and corporate planning), skills, attributes and core competencies including the independence of its Independent Non-Executive Directors in the composition of the Board. All assessments and evaluation carried out by the NC were properly documented.

(c) Review of Directors proposed for re-election/re-appointment

Pursuant to Article 115 of the Articles of Association of the Company, one-third (1/3) of the Directors for the time being shall retire from office every year and all directors shall retire at least once in every three (3) years. The retiring Directors shall be eligible for re-election at the Annual General Meeting ("AGM") pursuant to Article 117 of the Articles of Association of the Company.

In accordance to Section 129(2) of the Companies Act, 1965, a Director who is over the age of Seventy (70) years shall retire at every AGM and may offer himself for re-appointment to hold office until the next AGM.

In May 2016, upon recommendation by the NC, the following directors were retired in accordance with the respective Article and Act:

(i) pursuant to Article 115 of the Articles of Association of the Company – Dato' Mohamed Salleh Bin Bajuri; and

(ii) pursuant to Section 129(2) of the Companies Act, 1965 - Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas.

Both of them are eligible to stand for re-election and re-appointment respectively and they had expressed their intention to seek re-election and re-appointment at the 98th AGM.

(d) Gender Diversity Policy

Corporate Governance Blueprint 2011 stated that the Board should ensure women participation on Board to reach 30% by 2016. Currently, the Board has reached 20% of women participation on board.

The Board does not have a policy on boardroom diversity including gender diversity. The Company will provide equal opportunity to candidates with merit.

2.3 Remuneration Committee

(a) Composition and responsibilities of Remuneration Committee

The Remuneration Committee ("RC") was established in May 2001 with specific terms of reference. The Committee consists of two (2) Independent Non-Executive Directors and one (1) Executive Director and its members are:

Chairman	:	Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas
Members	:	Dato' Mohamed Salleh Bin Bajuri
		Dato' Mustapha Bin Buang

The RC reviews the annual salaries, incentive programmes, service arrangements and other employment conditions for the MD and ED. The RC's primary responsibility is to ensure that the directors are fairly rewarded with the level of remuneration which commensurate with the skills and responsibilities expected of the director concerned and that it is sufficient to attract and retain directors to run the Company and Group successfully.

(b) Remuneration Policy and Procedures

The Board believes that remuneration policy is supporting the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, retain and motivate the Directors of the Company.

The RC reviews the Directors' Remuneration annually and recommends to the Board for approval. In the course of deliberating on the remuneration policy, various factors including the executive directors' fiduciary duties, time commitments, Company's performance and market conditions as well as individual performance are considered. The respective director will play no part in the decisions concerning his own remuneration.

The determination of the remuneration package of the Non-Executive Directors is a matter for the Board as a whole following the relevant recommendation made by the RC. The fees payable to Non-Executive Directors are subject to the approval of shareholders at the AGM.

During the financial year ended 31 March 2016, there was no meeting held. Instead, three (3) circular resolutions were passed by all members of the RC, to review and recommend the bonus and increment of the MD and ED to the Board for approval.

The aggregate Directors' Remuneration paid or payable to the Directors for the financial year ended 31 March 2016 is categorized into the following components:

	Executive Directors	Non-Executive Directors	Total
	RM'000	RM'000	RM'000
Fees	-	216	216
Salaries and other emoluments	2,530	6	2,536
Bonus	660	-	660

The number of Directors' Remuneration falls into the following band:

	Executive Directors	Non-Executive Directors
Below RM50,000	-	2
RM100,001-RM150,000	-	1
RM1,000,001-RM1,500,000	2	-

Disclosure of each Director's remuneration and fee are set out in the Audited Financial Statements of this Annual Report.

PRINCIPLE 3: REINFORCE INDEPENDENCE

3.1 Board Assessment of its Independence Directors

The Board recognizes the key role of Independent Director in corporate accountability and provides unbiased views and are impartial to the Board's deliberations and decision making processes. The Independent Directors shall also ensure that all strategies proposed by the management are fully discussed and examined, and taking into account the long term interests of stakeholders including shareholders, employees, customers, suppliers and the various communities in which the Company conduct its business.

The Board through the NC assesses the independence of the Independent Directors on an annual basis as defined under Paragraph 1.01 of Bursa Securities Listing Requirements. The Independent Non-Executive Directors have also made declaration of their Independence Status on a yearly basis.

Based on the assessment conducted for the financial year ended 31 March 2016, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and are free from any business or other relationship which could interfere with the exercise of independent judgement.

3.2 Tenure of Independent Directors

The Board notes the Code's recommendations in relation to the tenure of an Independent Director which shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board but will be re-designated as a Non-Independent Director. In the event the Board wishes to retain such Director as an Independent Director, the Board must justify and seek shareholders' approval.

Currently, there are two (2) Independent Non-Executive Directors – Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh Bin Bajuri who have served the Board for more than nine (9) years.

3.3 Shareholders' approval for re-appointment as Independent Non-Executive Directors

The Board is of the view that an individual's independence should not be determined solely based on the tenure of service. Instead, a Director's health, attitude, integrity, ability for dispassionate discourse, business knowledge or judgement, and objectivity in discharging his responsibilities in good faith, in the best interest of the Company and to safeguard the interests of the shareholders of the Company; are also valid criteria to determine his independence and effectiveness.

As mentioned above, both Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh Bin Bajuri had served the Board for more than nine (9) years and they had obtained shareholders' approval at last AGM held on 21 September 2015 to retain as Independent Non-Executive Director of the Company notwithstanding their tenure of Independent Directors exceeded the stipulated terms.

The Board via the NC had conducted an annual performance evaluation and assessments for the year 2016. The NC was satisfied that Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh Bin Bajuri had remained independent based on the following justifications:

(i) They continue to fulfill the criteria and definition of an Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Securities;

(ii) They are familiar with the Company's business operations and provide unbiased views and impartiality to the Board's deliberations and decision making; and

(iii) They remain objective and independent of management and free from any business relationship in spite of their serving beyond nine (9) years on the Board.

Accordingly, the Board strongly recommends Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh Bin Bajuri to retain as Independent Non-Executive Directors of the Company and seeks the shareholders' approval at the forthcoming AGM.

3.4 Separation of position of the Chairman and MD and ED

The role of Chairman and MD/ED are undertaken by separate persons. Henceforth, there is a clear division of responsibility, balance of power and authority between the Chairman, and MD/ED; and no one individual has unfettered decision making powers. The Chairman is responsible for all the leadership and effectively functioning of the Board. Whilst, the MD is responsible for the Group's business performance and ED is responsible for the day-to-day management of the Group's operations and businesses.

3.5 Board Composition

The Board presently consists of five (5) members; comprising a Managing Director, an Executive Director, two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. The current Board fulfills the prescribed requirements for one-third (1/3) of the membership of the Board to be Independent Board Members. Collectively, the Board is helmed by effective and experienced directors comprising individuals with caliber and credibility from diverse professional backgrounds with a wealth of experience, skills and expertise. The Directors together with a team set the values and standards of the Company and ensure that the Group's business is properly managed to safeguard the Group's assets and shareholders' investment.

Independent Non-Executive Chairman

The Board noted the Recommendation 3.5 of the MCCG 2012, which states that the Board must comprise a majority of Independent Directors if the Chairman of the Board is not an Independent Director.

The Board is chaired by an Independent Non-Executive Director and he is not involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgement.

PRINCIPLE 4: FOSTER COMMITMENT

4.1 Time Commitment

The Board is mindful of the importance of devoting sufficient time and effort to carry out their responsibilities and enhance their professional skills. Thus, each Director is expected to commit sufficient time as and when required to carry out their responsibilities, besides attending meetings of the Board and Board Committees.

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. All five (5) Directors had attended 100% of the total number of Board of Directors' Meetings. The quorum of Board Meetings had been met with full attendance for five (5) Board meetings. Their meeting attendance at Board and ARMC Meetings is evidenced by the attendance record set out in the following table:

Name of Directors	Board Meetings	ARMC Meetings
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	5/5	5/5
Dato' Mustapha Bin Buang	5/5	-
Dato' Mohamed Salleh Bin Bajuri	5/5	5/5
Tan Siew Poh	5/5	5/5
Dr Yu Tat Loong	5/5	-

Protocol for the appointment of Directors

The Directors are required to update on their other directorships and shareholdings in public listed companies to the Company Secretaries. This is to monitor the number of directorship held by the Directors, where each member of the Board must not hold more than five (5) directorships in public listed companies; in compliance with the Bursa Securities Listing Requirements. This is to ensure the directors' commitments in devoting sufficient time to the Company and they are able to discharge their duties effectively.

Currently, all the Directors of the Company do no hold more than five (5) directorships in public listed companies including the Company.

4.2 Directors' Training

All members of the Board had attended Mandatory Accreditation Program prescribed by Bursa Securities. The NC oversees the training needs of its Directors and acknowledges the importance of continuous education and training in order to broaden one's perspective and to keep abreast with the current and future developments in the industry and global markets, regulatory updates as well as management strategies to enhance the Board's skills and knowledge in discharging their duties.

The Directors are encouraged to attend various external professional programmes which they individually consider as relevant and useful to further enhance their business acumen and professionalism in discharging their stewardship responsibilities.

For the financial year under review, the Directors have attended trainings which covered a range of topics which provided the Directors with updates on business trends and management, risk management, corporate governance and tax. These trainings and updates provide the Directors with continuous education and enhancement of their knowledge and skills in discharging their responsibilities as directors of the Company. Among the training programmes attended by the Directors during the financial year ended 31 March 2016 were as follows:

- Asian World Summit's 3rd Education Nation Summit
- Remuneration Reward Practices Seminar
- Asian World Summit's 7th Annual Corporate Governance
- Iclif Leadership & Governance's Breakfast Talk for PLC Directors
- Khazanah National's Megatrends Forum
- An Integrated Assurance on Risk Management and Internal Control: Is our line of defense adequate and effective?
- 2015 CPA Progress – Kuala Lumpur
- Sustainability Symposium
- Budget 2016 Tax Seminar
- CG Breakfast Series for Directors – Improving Board Risk Oversight Effectiveness
- CG Breakfast Series for Directors – Future of Auditor Reporting – The Game Changer for Boardroom
- 5th Annual Shopping Mall
- Corporate Governance Statement Reporting Workshop – The Interplay between CG, NFI and Investment Decision – What Boards of Listed Companies Need to Know
- Corporate Culture and ERM

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable Financial Reporting

The Board takes due care and responsibility for presenting a fair, balanced and comprehensible assessment of the Group's operations, performance and prospects each time it releases its quarterly and annual financial statements to shareholders and general public. The ARMC plays a crucial role in reviewing information to be disclosed to ensure the accuracy, adequacy, transparency and compliance with the appropriate accounting standards and the financial statements give a true and fair view of the state of affairs of the Company and the Group.

In respect of the financial statements for the financial year ended 31 March 2016, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensure that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept and disclosed with reasonable accuracy the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors have also taken necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group, to prevent and detect fraud as well as other irregularities.

5.2 Assessment of Suitability and Independence of External Auditors

The Board maintains a transparent and professional relationship with its External Auditors. The Company requires that the engagement partner involved in the external audit should not remain in a key audit role beyond five (5) years and cannot be re-engaged to play a significant role in the audit of the Company for at least another two (2) successive years. This is in consistent with the current By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

At least twice a year, the ARMC meets with the External Auditors to discuss their audit plan, audit findings and the Company's financial statements. The External Auditors will meet the ARMC without the presence of other directors and senior management at least once a year to allow the ARMC and the External Auditors to exchange independent views or matters which require the ARMC's attention.

The ARMC considered the non-audit services provided by the External Auditors during the financial year ended 31 March 2016 and concluded that the provision of these services did not compromise External Auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the External Auditors.

The External Auditors have confirmed in writing that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

During the financial period, the ARMC had assessed the independence of Messrs. Ernst & Young as External Auditors of the Company. The ARMC was satisfied with their performance, technical competency and fulfilment of criteria of independent and recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming 98th AGM of the Company.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

6.1 Risk Management Framework

The Group has adopted the Risk Management Framework which sets out its risk management strategy, risk structure, risk assessment processes, risk communication and risk monitoring and review.

Recognizing the importance of having risk management processes and practices, the Board has established a RMWC, which is chaired by the Executive Director, to oversee, identify, evaluate, control, monitor and report on the critical risks faced by the Group on an on going basis, including remedial measures to be taken to address the risks vis-à-vis the risk parameters of the Group to ARMC. The Chairman of the RMWC reports to the ARMC and brief the Board on its activities and findings. During the financial year under review, there were five (5) meetings held.

6.2 Internal Audit Function

In line with the MCCG 2012 and Bursa Securities Listing Requirements, the internal audit function was established. The Group's internal audit function is carried out by the Internal Audit Department, which the Head of Internal Audit reports directly to the ARMC on its activities based on the approved internal audit plan. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

All internal audits carried out are guided by the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors, a globally recognized professional body for internal auditors.

The details of the Internal Audit function and Company's internal control system and framework are set out in the ARMC Report and Statement on Risk Management and Internal Control on pages 45 to 49 of this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board recognizes the importance of timely dissemination of relevant corporate and other information to and in dealing with shareholders, stakeholders, regulators and investing public. The Group complies strictly with the disclosure requirements of all applicable securities law and regulatory requirements. Information is disseminated via the annual reports, circulars to shareholders, press releases, quarterly financial results and announcements from time to time as well as via Bursa Securities.

The disclosures made by the Group to Bursa Securities, shareholders, investors and media are handled by relevant personnel including the Financial Controller, the Company Secretary within the prescribed disclosure requirements under the Main Market Listing Requirements and guided by the Corporate Disclosure Guide issued by Bursa Securities. Such disclosures would only be released to Bursa Securities, shareholders, investors and media after having reviewed and approved by the Board.

7.2 Information technology for effective dissemination of information

The Board recognizes the importance of transparency and accountability to its shareholders and investors. The Board endeavours to keep its shareholders and investors informed of its progress through a comprehensive annual report and financial statements, circular to shareholders, quarterly financial reports and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operation.

The Company has established a website – www.asianpac.com.my for shareholders and the public to access for the latest information, including the announcements made by the Company. The Company's website incorporates an Investor Relations section which provides comprehensive, accurate and timely information on the Company and is accessible by the public. This Investor Relations section enhances the Investor Relations function by including announcements made by the Company, annual reports, share price information as well as the quarterly financial results of the Company.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage shareholder participation at general meetings

The Company's AGM is the principal forum for dialogue with shareholders which provides an opportunity for the shareholders to enquire and seek clarification on issues with regards to the Group's business operations, annual performance and corporate development.

The Notice of AGM is despatched at least twenty one (21) days together with the Annual Report prior to the date of the meeting which is also advertised in the press and released via Bursa Link. All resolutions passed by the shareholders at the last AGM held on 21 September 2015 were voted by show of hands.

The Board has designated Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas as the Senior Independent Non-Executive Director to receive and deal with all shareholders'/public enquiries. Such enquiries must be made in writing and be directed to the Senior Independent Non-Executive Director at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur.

8.2 Poll Voting

With effect from 1 July 2016, all resolutions put to AGM and/or Extraordinary General Meeting shall be decided on poll pursuant to recent amendments to the Bursa Securities Listing Requirements.

In this regard, the Company must appoint at least one (1) scrutineer to validate votes cast at the general meeting. The scrutineer must be independent of the person undertaking the polling process and shall not be an officer of the Company or the Group. If the scrutineer has interest in a resolution to be passed at the general meeting, he/she must refrain from acting as the scrutineer for that resolution.

Accordingly, the Chairman, on the commencement of the meeting, will notify the shareholders of the abovementioned rules and read out the provisions of the Articles of Association on the procedures to demand a poll.

8.3 Effective Communication and proactive engagements

At the 97th AGM of the Company held on 21 September 2015, all five (5) Directors were present in person to engage directly with the shareholders of the Company. During the AGM, the Chairman had invited shareholders to raise questions. The shareholders had actively taken the opportunity to enquire and seek clarification on the Group's activities and performance of the Group. The Directors and Senior Management responded to all the questions accordingly and provided clarification as required by the shareholders.

This statement is reviewed and approved by the Board of Directors' Meeting held on 25 May 2016.

ADDITIONAL COMPLIANCE INFORMATION

Share Buybacks

The Company did not make any share buybacks during the financial year.

Options, Warrants or Convertible Securities Exercised

During the financial year under review, the Company did not issue any options, warrants or convertible securities.

Depository Receipt Programme

The Company did not sponsor any Depository Receipt Programme during the financial year.

Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fee

There was a non-audit fee of RM7,000 paid to the External Auditors for reviewing the Statement on Risk Management and Internal Control for the financial year ended 31 March 2016.

Variation in Results

There were no variances of 10% or more between the audited results and the unaudited results announced for the financial year ended 31 March 2016.

Profit Guarantee

There were no profit guarantees given by the Company during the financial year.

Material Contracts Involving Directors' and Substantial Shareholders' Interest

The Company and its subsidiaries did not enter into any material contracts which involved the interests of the Directors or substantial shareholders during the financial year.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1. COMPOSITION

The Audit and Risk Management Committee ("ARMC") comprises three (3) members, all of whom are Non-Executive Directors, two of them are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director. The members for the financial year under review are as follow:

Chairman

Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	Independent Non-Executive Director

Members

Dato' Mohamed Salleh Bin Bajuri	Independent Non-Executive Director
Ms Tan Siew Poh	Non-Independent Non-Executive Director

Dato' Mohamed Salleh Bin Bajuri, is a member of Malaysia Institute of Accountants ("**MIA**") and Ms Tan Siew Poh is also a member of MIA and CPA Australia. Accordingly, the Company complies with paragraph 15.09(c) of the Main Market Listing Requirement.

The term of office and performance of the ARMC is reviewed by the Nomination Committee annually to determine whether the ARMC and its members have carried out their duties in accordance with their terms of reference.

ATTENDANCE

During the financial year, the ARMC convened five (5) meetings which were attended by all members as well as the Internal Auditor and the heads of Finance Department. The details of the members' attendance records are shown in the Corporate Governance Statement.

2. SUMMARY OF TERMS OF REFERENCE

MEETINGS AND MINUTES

In assisting the Board to effectively discharging its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls, ARMC meetings which shall be held not less than four (4) times a year will be attended by the Committee, representatives from Finance Department and Head of Internal Auditor. The Managing Director and Executive Director are also invited to attend the meetings. The External Auditors are invited to attend two (2) meetings where their audit plan including areas of concern and matters related to audit was presented to the ARMC for review and recommendation for the Board's approval and adoption.

The Chairman of the ARMC would engage on a continuous basis with the senior management such as the Managing Director and Executive Director in order to be kept informed of matters affecting the Group. Attendance of other Directors and employees at any particular ARMC Meeting will be at the invitation of the ARMC.

A quorum shall consist of two (2) members and the majority of the members present shall be Independent Non-Executive Directors.

The Company Secretary shall be the Secretary of the ARMC and shall be responsible for drawing up the agenda and circulating the same and other documents to the members of ARMC at least two (2) days prior to each meeting.

Minutes of each ARMC meetings were recorded and tabled for confirmation at the next following ARMC meeting. The Chairman of ARMC will report key issues discussed at each Board Meeting.

3. AUTHORITY

The ARMC is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both internal and external auditors and to all employees of the Group. The ARMC is also authorized by the Board with the Chairman's prior consent, to obtain external legal or other independent professional advice if deemed necessary, after discussion of any issues with the Senior Management, External Auditors and Internal Auditors.

The ARMC is authorized to convene meetings with the external auditors without the presence of the management of the Company whenever deemed necessary.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the ARMC shall be:-

i) Financial Results
To review the quarterly financial statements announcements to Bursa Malaysia Securities Berhad and annual financial statements prior to approval by the Board, focusing on:-

- going concern assumption;
- compliance with accounting standards and regulatory requirements;
- any changes in accounting policies and practices; and
- significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions.

ii) External Auditors
To review with the external auditors on the following:-

- audit plan including audit and non-audit fees and services;
- evaluation of the system of internal controls;
- audit report;
- major audit findings and management's responses thereon; and
- the assistance given by the employees of the Company and the Group to the external auditors.

To assess the performance of External Auditors including the suitably and independence of external auditors in accordance with their relevant professional and regulatory requirements.

To recommend to the Board on the appointment, re-appointment or removal of external auditors.

iii) Internal Auditor
To review the internal audit functions on the following:-

- adequacy and relevance of the scope, functions, competency and resources of the internal audit department and that it has the necessary authority to carry out its work;
- the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings;

- approve any appointment or termination of senior staff members of the in-house internal audit department;
- take cognisance of all resignations and provide the resigning internal audit staff member to submit his reasons for resigning; and
- the assistance given by the Group's employees to the internal auditors and co-ordination of the internal auditors with the external auditors.

iv) Risk Management
To review with Risk Management Working Committee on the following:

- Statement of Risk Management and Internal Control;
- Overall risk management system;
- Key risks and the adequacy and effectiveness of Internal Control;
- Policies and framework to which the Group is exposed, especially in areas of risk concentration pertaining to the risk exposures that the subsidiaries are exposed to in their business activities, eg, strategic, operational, health & safety, regulatory and legal;
- Business strategies and plans from a risk-based and enterprise-wide perspective; and
- Risk management responsibilities through identifying, measuring, managing, reporting and monitoring all categories of business risk across the Group.

v) Related Party Transactions
To monitor related party transactions and recurrent related party transactions and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

vi) Internal Control
- To assess the adequacy and effectiveness of the systems of internal control of the Company and the Group as to ensure the Group's assets are protected from misappropriation and encourage legal and regulatory compliance; and
- Consider the major findings of internal investigations and management's responses.

vii) ESOS
To verify the allocation of options as being in compliance with the criteria for allocation pursuant to the By-Laws of Employees' Share Option Scheme.

viii) Others
- To undertake such other responsibilities as may be agreed to by the Committee and the Board.
- To report to the Board its activities, significant results and findings.

5. SUMMARY OF ACTIVITIES OF ARMC

Pursuant to the terms of reference of the ARMC, the following activities were carried out by the Committee during the financial year ended 31 March 2016 in discharge of its duties and responsibilities:-

i) Financial Reporting

The ARMC had reviewed the Group's unaudited quarterly financial results for the first, second, third and fourth quarter of the financial year ended 31 March 2016 ("**FYE 2016**") on 27 August 2015, 26 November 2015, 24 February 2016 and 25 May 2016. On 12 July 2016, the ARMC reviewed the annual audited financial statements for FYE 2016.

The abovementioned unaudited quarterly financial results were prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRS**") 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements ("**MMLR**"). The ARMC confirmed that:

(a) appropriate accounting policies had been adopted and applied consistently;

(b) the going concern basis applied in the Audited Financial Statements and Condensed Consolidated Financial Statements was appropriate;

(c) prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;

(d) adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs and MMLR;

(e) no significant issues arising from the audit that need significant judgement by the Management as well as unusual events or transactions to be addressed to; and

(f) the Audited Financial Statements and Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for FYE 2016.

The ARMC recommended the abovementioned unaudited quarterly financial results and annual audited financial statements at each subsequent Board Meetings for approval to release to Bursa Securities.

ii) External Auditors

On 24 February 2016, the ARMC reviewed and discussed the Audit Planning Memorandum, presented by the External Auditors which amongst other includes:

(a) the list of services in the Audit Plan 2016 which comprised the audit services and recurring non-audit service that may be provided by the External Auditors. The recurring non-audit service was the annual review of the Statement on Risk Management and Internal Control. The ARMC was satisfied that they were not likely to neither create any conflict of interest nor impair the independence and objectivity of the External Auditors.

(b) the External Auditors' scope of work and proposed audit fees. The ARMC reviewed the proposed audit fees against audit fees for the financial year ended 31 March 2015 and unanimously agreed to defer the recommendation of the proposed audit fees for the Board's approval. The ARMC had on 12 July 2016 approved the revised audit fees for the FYE 2016 and subsequently recommended for the approval of the Board at the Board meeting.

On 12 July 2016, the External Auditors had presented the report pertaining to the matters arising from the audit for the financial year ended 31 March 2016 to ARMC. The ARMC noted that:

a) The External Auditors had completed their audit in accordance with their Audit Planning Memorandum;
b) There were no significant findings in fraud consideration and revenue recognition;
c) The External Auditors received full cooperation from Management and staff and had unrestricted access to senior management in the performance of their audit; and
d) The External Auditors would issue an unqualified opinion on the financial statements of the Group.

On the same day, 12 July 2016, the ARMC held a private meeting with the External Auditors without the presence of the Management and Internal Auditors after deliberating the abovesaid report. There was no significant issue brought up to the attention of the ARMC except some improvements to be made on certain internal control weaknesses noted in the course of audit.

The ARMC had received assurance from the External Auditors that they were independent from the Group and in compliance with the independent requirements set out in the Bye-Laws (On Professional Ethics, Conduct and Practice) for the Professional Accountants of Malaysian Institute of Accountants.

After having deliberated on the draft Audited Financial Statements, the ARMC recommended the same to the Board for approval.

The ARMC also recommended the re-appointment of External Auditors to the Board after reviewing their performance, technical competency and fulfilment of criteria of independent.

The ARMC noted that the non-audit fees for service rendered to the Group by the External Auditors for the financial year ended 31 March 2016 amounted to RM7,000.

iii) Internal Auditors

The ARMC had on 25 May 2016 reviewed and approved the Internal Audit Plan for the financial year ending 31 March 2017 as well as the revised Internal Audit Charter. The plan was developed based on prior audit coverage and new audit areas including assignments from ARMC.

The Internal Auditor had on 26 November 2015, 24 February 2016 and 25 May 2016 presented the Internal Audit Reports and Internal Audit Progress Reports on the following departments:

a) Project Management;
b) Human Resource, Administration and Information Technology;
c) Sales & Marketing;
d) Sales Administration;
e) Leasing & Marketing Communication;
f) Car Park Management; and
g) Property Management

The Internal Auditor reported all findings to the ARMC including follow-up on management's actions with the objective of providing reasonable assurance on the adequacy of remedial actions taken by Management in addressing risk areas and improving the system of internal controls on a timely basis.

iv) Risk Management

On 25 November 2015, the ARMC had approved the Risk Management Framework of the Group after several discussion and consultations with the professional consultants by the Risk Management Working Committee ("**RMWC**"). The Risk Management Framework encompasses risk assessment, communication and consultants, risk monitoring and risk review.

Upon the establishment of the Risk Management Framework, the RMWC was designing and compiling the risk register of the Group in collaboration with the Internal Auditor. Prior to the establishment of the risk register, the Internal Auditor conducted risk awareness with each Head of Department ("**HOD**") as well as the risk owners. The purpose of this process was to give a clearer picture of the risk management to the risk owners and each HOD. During the financial year the risk register of the Group is still at the finalizing stage.

Further details of the risk management are provided in the Statement on Risk Management and Internal Control.

v) Others

a) Annually reviewed the Statement on Risk Management and Internal control for publication in the Company's annual report; and

b) Quarterly reviewed and monitored the related party transactions and recurrent related party transaction of the Group.

STATEMENT ON SHARE ISSUANCE SCHEME ("ESOS") BY THE ARMC

During the financial year under review, there was no allocation of option under ESOS of the Company. The ESOS was expired on 12 April 2016.

INTERNAL AUDIT FUNCTION/ACTIVITIES

The Group has an in-house Internal Audit Department, which undertakes internal audit functions based on the annual audit plan that has been reviewed and approved by the ARMC.

The Internal Audit Department is committed to add value and improve operations by providing independent and objective assessment of the Group's risk management, system of internal controls and governance processes. The purpose, scope, authority and responsibility of the Department are detailed in the Internal Audit Charter.

The Department has adopted risk-based approach to prioritize its efforts to the critical business risk areas within the Group.

During the financial year, the Department conducted audit assignments with the objective of assessing the efficiency and effectiveness of business operations, reliability of financial and operational information and records, adequacy and effectiveness of controls in safeguarding the Group's interest and assets, and compliance with established internal policies and procedures, and applicable laws, regulations and contracts.

The Department reports internal control deficiencies to the appropriate level of management and the ARMC. The agreed recommendations are monitored until duly implemented by the management.

The total internal audit costs incurred for maintaining the internal audit function for financial year 2016 were RM293,775 (RM147,945 in FYE 2015).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
FINANCIAL YEAR ENDED 31 MARCH 2016

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which has been prepared in accordance with the requirements under Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board is responsible for overseeing the Group's risk management and internal control systems to safeguard shareholders' investment and the Group's assets, as well as reviewing their integrity, adequacy and effectiveness.

In line with the Board's responsibilities, the Board has:
- Determined the Group's level of risk tolerance
- Actively identified, assessed and monitored key business risks
- Committed to articulating, implementing and reviewing the Group's system of internal control
- Periodically evaluated the efficiency and effectiveness of internal control procedures and processes

Due to limitations inherent in any system of risk management and internal control, these systems are designed to manage rather than eliminate, the respective inherent risks that exist in achieving the Group's business objectives. Therefore, such systems of risk management and internal control can only provide reasonable, and not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT

The Group has an on-going process in place for identifying, evaluating and managing significant risks. The risk management process of the Group are summarised below:

Risk Management Working Committee

Risk Management is an integral part of business operations and this process goes through a review by the Audit and Risk Management Committee ("ARMC") and the Board. As part of the process, the heads of business units and heads of departments forming the Risk Management Working Committee ("RMWC") have convened risk management meetings during the year and up to the date of approval of this statement, to identify, assess and manage risks identified in the Group.

Risk Identification

Key risks were identified by the respective operations of the Group in a process involving finding, recognising, and describing internal and external potential events that could adversely impact the achievement of the Group's objectives.

The RMWC has distinguished risks and opportunities so that risks are managed whereas opportunities are channelled back to the Group's objectives-setting processes.

The impact and likelihood of occurrence of these risks are then evaluated and documented. Based on the results of the above evaluation, these risks are categorised into four ratings: High, Significant, Moderate and Low. Appropriate action plans and control measures are put in place to mitigate these risks.

Risk Evaluation

The identified key risks are evaluated to determine their impact on the Group's objectives. This is defined by risk evaluation which involves the assessment of the 'likelihood of occurrence' and the consequential 'impact of occurrence' of the each key risk respectively.

Risk Treatment

Risk treatment is primarily a decision making process based on the outcome of risk evaluation. Risk treatment plan comprising of specific management actions, timelines and identification of risk owner are used to manage the identified risks.

Risk Monitoring

RMWC conducts ongoing risk monitoring to assess whether any conditions associated with a particular risk have changed, and to ensure that action and risk mitigation plans have been implemented. The result and status of the risk mitigation plans are then communicated to the ARMC and Board.

During the financial period, a Group-wide risk management was successfully conducted and as at the financial year end of the period under review, the risk registers were being finalised.

Risk Management Framework

The Board has approved a formal Risk Management Framework ("RMF") that provides the overall intentions and directions of Risk Management in the Group, in relation to the overall strategic and operational policies and practices. The RMF defines the procedures and arrangements for the implementation and continuous improvement in risk management, in line with the strategic plan.

INTERNAL AUDIT FUNCTION

The ARMC evaluates the internal audit function to assess its effectiveness in the discharge of its responsibilities. Observations from these audits, especially on areas where material internal control deficiencies or lapses have been noted, are presented together with Management's proposed action plans and implementation timelines, to the ARMC for its review. The internal audit function also follows up and reports to the ARMC on the status of implementation of the action plans by Management.

Further details of the activities of the internal audit function are provided in the Audit and Risk Management Committee Report.

INTERNAL CONTROL

The key elements of the Group's system of internal controls are described below:

a) The Group has in place an organisation structure with proper segregation of duties and reporting procedures and authorisation limits and all heads of departments are accountable for ensuring the effective implementation of established policies and procedures.

b) The Board meets regularly to monitor and review the overall performance of the Group, to consider the findings and recommendations of committees and senior management and to consider and approve measures to be taken and changes in policies and procedures necessary to address risks and to enhance the system of internal control.

c) The Group has established three lines of defense in managing risks routinely on a daily basis in the following manner:

- First line of defense by Management and employees
- Second line of defense by the oversight functions
- Third line of defense by the internal auditors

d) An independent internal audit department reports directly to the ARMC on the adequacy of the Group's system of internal controls and to provide reasonable assurance on the effectiveness of the Group's system of internal controls including compliance with policies and procedures. The internal auditors also carried out follow-up reviews on the previous audit reports to ensure that appropriate actions have been implemented to address control weaknesses highlighted.

e) The Group has in place a management reporting mechanism whereby financial information is generated and reviewed by management and the Board on a regular basis. Performance and results are monitored on a monthly basis against the results of corresponding period of prior year, with major variances explained.

f) The Group Managing Director meets with the senior management regularly to review and resolve key operational, financial, personnel and other key management issues, including issues of risks and internal controls. Significant issues are tabled at Board meetings.

g) The Financial Review Committee meets regularly to conduct credit reviews, monitor receivables, progress of legal cases and formulates credit procedures and policies.

h) Employee training and development programs are conducted to enhance and improve employee competencies and proficiencies. This is implemented through a combination of on-the-job training, in-house training programs and external training courses.

i) Formal job descriptions with key performance indicators have been established for all employees.

j) The Group has in place Employee Handbook and Code of Ethics for directors to set the ethical standards for all employees and directors in their dealings with among others fellow employees, customers, shareholders, suppliers, authorities and the community.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

This statement is reviewed and approved by the Board of Directors in the meeting dated 12 July 2016. The external auditors have reviewed this statement pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants.

The external auditors have reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group 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.

CONCLUSION

Based on the processes set out above, the Board is of the view that the Group's system of risk management and internal control are adequate and effective to safeguard the shareholders' investment and the Group's assets and has received assurance from the Managing Director, Executive Director and Financial Controller in this respect. In the financial year under review and up to the date of approval of this statement, it has not resulted in any material losses, contingencies or uncertainties that would require a disclosure in this Annual Report.

The Board and Management are committed towards operating a sound system of internal control and will continue to take pertinent measures to sustain and, where required, to improve the Group's systems of risk management and internal control in meeting the Group's strategic objectives or updated in line with changes in the operating environment.

FINANCIAL CONTENTS

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company is principally involved in the holding of securities for investment purposes, provision of management services and trading of building materials.

The principal activities of the subsidiaries and associate are disclosed in Notes 7 and 8 to the financial statements respectively.

There has been no significant change in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	73,611	235
Attributable to:		
Owners of the parent	73,634	235
Non-controlling interests	(23)	-
	73,611	235

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT

DIVIDENDS

Dividends paid by the Company since 31 March 2015 were as follows:

	RM'000
In respect of the financial year ended 31 March 2015:	
Special single tier dividend of RM0.003 per ordinary share on 992,563,966 ordinary shares, approved on 21 September 2015 and paid on 8 November 2015.	2,978

The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas
Dato' Mustapha bin Buang
Dato' Mohamed Salleh bin Bajuri
Tan Siew Poh
Yu Tat Loong

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under Asian Pac Holdings Berhad's ("APHB") Employee Share Option Scheme ("ESOS") as disclosed in Note 15 to the financial statements.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company and related corporations as shown in Notes 22 and 23 to the financial statements) by reason of a contract made by the Company or a related corporation with any 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' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over ordinary shares in the Company during the financial year were as follows:

	I---- Number of APHB ordinary shares of RM0.20 each ----I			
	1 April 2015	Acquired	Sold	31 March 2016
Direct interest:				
Dato' Mustapha bin Buang	32,850,985	-	-	32,850,985
Dato' Mohamed Salleh bin Bajuri	-	500,000	-	500,000
Tan Siew Poh	-	2,188	-	2,188
Indirect interest:				
Dato' Mustapha bin Buang	800,000	-	-	800,000

	Number of options pursuant to APHB's ESOS over ordinary shares of RM0.20 each			
	1 April 2015	Granted	Exercised	31 March 2016
Direct interest:				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	3,150,000	-	-	3,150,000
Dato' Mustapha bin Buang	1,697,500	-	-	1,697,500
Dato' Mohamed Salleh bin Bajuri	2,150,000	-	-	2,150,000
Tan Siew Poh	2,100,000	-	-	2,100,000
Yu Tat Loong	3,500,000	-	-	3,500,000

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM198,205,000 to RM198,512,800 by way of issuance of 1,538,450 ordinary shares of RM0.20 each, for cash pursuant to APHB's ESOS at the weighted average exercise price of RM0.21 per ordinary share. The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 31 October 2005, shareholders approved the Employee Share Option Scheme ("ESOS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible employees.

The committee administering the ESOS includes 1 director, Dato' Mustapha bin Buang.

The salient features and other terms of the ESOS are disclosed in Note 15 to the financial statements.

The tenure of the ESOS had expired on 30 May 2011 and was extended for another 5 years to mature on 12 April 2016.

On 19 March 2014, the Company granted 53,740,000 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company at an exercise price of RM0.20 per ordinary share. At the closing date of 18 April 2014, 52,075,000 ESOS granted were accepted by employees of the Group.

On 21 October 2014, the Company further granted 7,657,500 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company at an exercise price of RM0.22 per ordinary share. At the closing date of 20 November 2014, 7,300,000 ESOS granted were accepted by employees of the Group.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 500,000 ordinary shares of RM0.20 each. The names of option holders granted options to subscribe for 500,000 or more ordinary shares of RM0.20 each are as follows:

Name	Grant date	Expiry date	Exercise price RM	I----- Number of share options -----I Granted	Exercised	31 March 2016
Wong Yee Kean	19/3/14	12/4/16	0.20	1,320,000	-	1,320,000
Abdul Molok bin Abu Bakar	19/3/14	12/4/16	0.20	950,000	(475,000)	475,000
Goh Chin Wai	19/3/14	12/4/16	0.20	1,080,000	(640,000)	440,000
Lee Heng Chin	19/3/14	12/4/16	0.20	930,000	-	930,000
Chong Ka Loong	19/3/14	12/4/16	0.20	900,000	(300,000)	600,000
Lim Wing Keong	19/3/14	12/4/16	0.20	780,000	(450,000)	330,000
Rozanita bt Zainal Abidin	19/3/14	12/4/16	0.20	750,000	(260,000)	490,000
Jayantimala Biswas B. N. Biswas	19/3/14	12/4/16	0.20	750,000	-	750,000
Kee Pooi See	19/3/14	12/4/16	0.20	700,000	(660,000)	40,000
Lim Hock Wah	19/3/14	12/4/16	0.20	600,000	(100,000)	500,000
Ang Huey Ling	19/3/14	12/4/16	0.20	600,000	(175,000)	425,000
Chin Thau Tshung	19/3/14	12/4/16	0.20	600,000	(200,000)	400,000
Liew Su Hiung	19/3/14	12/4/16	0.20	600,000	(340,000)	260,000
Liong Chee Gin	19/3/14	12/4/16	0.20	600,000	(300,000)	300,000
Valli a/p Athymoolam	19/3/14	12/4/16	0.20	540,000	(350,000)	190,000
Kok Kum Soong	19/3/14	12/4/16	0.20	540,000	(10,000)	530,000
Chow Boon Hui	19/3/14	12/4/16	0.20	540,000	-	540,000
Jaafar bin Jamak	19/3/14	12/4/16	0.20	540,000	-	540,000
Ainun bt Abd Halim	19/3/14	12/4/16	0.20	507,500	(250,000)	257,500
Wong Koo Loon	21/10/14	12/4/16	0.22	600,000	-	600,000

Details of options granted to directors are disclosed in the section on directors' interests in this report.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the directors took reasonable steps:

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

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

(b) At the date of this report, the directors are not aware of any circumstances which would render:

 (i) it necessary to write off any 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; and

OTHER STATUTORY INFORMATION (CONT'D)

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(e) As 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 or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Details of the significant events that occurred during the current financial year are disclosed in Note 7 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 July 2016.

Tan Sri Dato' Seri Hj. Megat Najmuddin
bin Datuk Seri Dr Hj. Megat Khas

Dato' Mustapha bin Buang

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas and Dato' Mustapha bin Buang, being two of the directors of Asian Pac Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 59 to 151 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 to the financial statements on page 152 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 July 2016.

Tan Sri Dato' Seri Hj. Megat Najmuddin
bin Datuk Seri Dr Hj. Megat Khas

Dato' Mustapha bin Buang

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Wong Yee Kean, being the officer primarily responsible for the financial management of Asian Pac Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 59 to 152 are in my opinion 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 Wong Yee Kean at Kuala Lumpur }
in the Federal Territory on 18 July 2016. }

Wong Yee Kean

Before me,
No. W 663
Baloo A/L T. Pichai
Commissioner for Oaths
Kuala Lumpur

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Asian Pac Holdings Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 59 to 151.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out in Note 38 to the financial statements on page 152 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Ernst & Young
AF: 0039
Chartered Accountants

Sundralingam A/L Navaratnam
No. 2984/05/18(J)
Chartered Accountant

Kuala Lumpur, Malaysia
18 July 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Assets					
Non-current assets					
Property, plant and equipment	3	11,135	35,838	387	496
Land held for property development	4(a)	54,373	54,068	-	-
Investment properties	5	1,247,226	1,133,136	-	-
Intangible asset	6	14,104	14,796	-	-
Investments in subsidiaries	7	-	-	454,858	449,204
Investment in an associate	8	-	-	-	-
Available-for-sale investments	9	3,867	4,555	1,212	1,374
Deferred tax assets	10	1,223	2,495	-	15
		1,331,928	1,244,888	456,457	451,089
Current assets					
Property development costs	4(b)	90,993	98,115	-	-
Inventories of completed properties	11	47,672	23,783	-	-
Trade and other receivables	12	57,823	48,911	35,891	11,751
Accrued billings in respect of property development costs		20,451	35,142	-	-
Accrued income		8,033	69	4	17
Prepayment		440	351	37	38
Tax recoverable		5,583	1,371	106	788
Financial assets at fair value through profit or loss	13	-	12,221	-	2,043
Short term deposits	14	13,682	13,306	-	-
Cash and cash equivalents	14	55,932	71,883	5,161	31,877
		300,609	305,152	41,199	46,514
Total assets		1,632,537	1,550,040	497,656	497,603

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	15	198,513	198,205	198,513	198,205
Share premium		3,551	3,427	3,551	3,427
Other reserves	16	3,334	3,778	81,300	81,463
Retained earnings		656,918	586,262	134,311	137,054
		862,316	791,672	417,675	420,149
Non-controlling interests		233	256	-	-
Total equity		862,549	791,928	417,675	420,149
Non-current liabilities					
Deferred tax liabilities	10	198,969	192,506	2	5
Trade and other payables	18	23,086	13,142	-	-
Loans and borrowings	17	264,233	248,490	266	374
		486,288	454,138	268	379
Current liabilities					
Loans and borrowings	17	116,828	127,864	50,108	50,105
Trade and other payables	18	158,884	174,886	29,605	26,970
Prepayment from tenants		699	699	-	-
Progress billings in respect of property development costs		3,968	-	-	-
Tax payable		3,321	525	-	-
		283,700	303,974	79,713	77,075
Total liabilities		769,988	758,112	79,981	77,454
Total equity and liabilities		1,632,537	1,550,040	497,656	497,603

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Revenue	19	154,905	230,269	6,853	11,298
Cost of sales	20	(116,595)	(170,798)	(3,561)	-
Gross profit		38,310	59,471	3,292	11,298
Other income	21	128,021	524,151	10,961	52,478
Employee benefits expense	22	(15,900)	(18,016)	(2,601)	(2,641)
Depreciation		(2,385)	(2,429)	(131)	(144)
Other expenses		(32,760)	(28,140)	(6,646)	(3,829)
Operating profit		115,286	535,037	4,875	57,162
Finance costs	24	(27,210)	(6,193)	(3,946)	(4,021)
Profit before tax	25	88,076	528,844	929	53,141
Income tax (expense)/benefit	26	(14,465)	(152,265)	(694)	8
Profit for the year		73,611	376,579	235	53,149
Profit attributable to:					
Owners of the parent		73,634	376,591	235	53,149
Non-controlling interests		(23)	(12)	-	-
		73,611	376,579	235	53,149
Earnings per share attributable to owners of the parent (sen per share):					
Basic	27(a)	7.4	38.2		
Diluted	27(b)	7.4	37.8		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the year	73,611	376,579	235	53,149
Other comprehensive (loss)/income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Fair value (loss)/gain on available-for-sale investments	(324)	166	(43)	44
Total comprehensive income for the year	73,287	376,745	192	53,193
Total comprehensive income attributable to:				
Owners of the parent	73,310	376,757	192	53,193
Non-controlling interests	(23)	(12)	-	-
	73,287	376,745	192	53,193

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Group

	Attributable to owners of the parent						
	Non-distributable			Distributable			
	Share capital RM'000 (Note 15)	Share premium RM'000	Other reserves RM'000 (Note 16)	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000 (Note 7)	Total equity RM'000
At 31 March 2016							
At 1 April 2015	198,205	3,427	3,778	586,262	791,672	256	791,928
Total comprehensive income for the year	-	-	(324)	73,634	73,310	(23)	73,287
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(2,978)	(2,978)	-	(2,978)
Issue of ordinary shares pursuant to ESOS exercised (Note 15)	308	124	(120)	-	312	-	312
At 31 March 2016	198,513	3,551	3,334	656,918	862,316	233	862,549

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

Group

	Attributable to owners of the parent						
	Non-distributable			Distributable			
	Share capital RM'000 (Note 15)	Share premium RM'000	Other reserves RM'000 (Note 16)	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000 (Note 7)	Total equity RM'000
At 31 March 2015							
At 1 April 2014	195,063	2,206	201	211,651	409,121	268	409,389
Total comprehensive income for the year	-	-	166	376,591	376,757	(12)	376,745
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(1,980)	(1,980)	-	(1,980)
Share options granted under ESOS	-	-	4,632	-	4,632	-	4,632
Issue of ordinary shares pursuant to ESOS exercised (Note 15)	3,142	1,221	(1,221)	-	3,142	-	3,142
At 31 March 2015	198,205	3,427	3,778	586,262	791,672	256	791,928

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Company	I-------------- Non-distributable	---------------	---------------I	Distributable	
	Share capital RM'000 (Note 15)	Share premium RM'000	Other reserves RM'000 (Note 16)	Retained earnings RM'000	Total equity RM'000
At 31 March 2016					
At 1 April 2015	198,205	3,427	81,463	137,054	420,149
Total comprehensive income for the year	-	-	(43)	235	192
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(2,978)	(2,978)
Issue of ordinary shares pursuant to ESOS (Note 15)	308	124	(120)	-	312
At 31 March 2016	198,513	3,551	81,300	134,311	417,675
At 31 March 2015					
At 1 April 2014	195,063	2,206	78,008	85,885	361,162
Total comprehensive income for the year	-	-	44	53,149	53,193
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(1,980)	(1,980)
Share options granted under ESOS	-	-	4,632	-	4,632
Issue of ordinary shares pursuant to ESOS (Note 15)	3,142	1,221	(1,221)	-	3,142
At 31 March 2015	198,205	3,427	81,463	137,054	420,149

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Cash flows from operating activities					
Profit before tax		88,076	528,844	929	53,141
Adjustments for:					
Bad debts recovered	12(b)	(58)	(60)	-	-
Depreciation of property, plant and equipment	3	2,385	2,429	131	144
ESOS option cost	22, 23	-	4,632	-	550
Net gain on changes in fair value of investment properties	5	(103,115)	(519,359)	-	-
Gain on fair value adjustments of financial assets at fair value through profit or loss	21	(95)	(290)	(41)	(43)
Impairment on:					
- quoted investments	25	364	-	119	-
- investment in subsidiaries	25	-	-	5,766	-
- intangible asset	6	692	2,479	-	-
- other receivables	12(b)	529	236	-	236
Loss/(gain) on disposal of property, plant and equipment	21, 25	3	(154)	-	(80)
Property, plant and equipment written off	25	53	158	-	-
Reversal of impairment loss on:					
- other receivables	12(b)	-	(83)	-	-
- investment in subsidiaries	7, 21	-	-	(10,920)	(52,355)
Unwinding of discount	21	(1,438)	(285)	-	-
Interest expense	24	27,210	6,193	3,946	4,021
Interest income	19,21	(1,751)	(2,731)	(372)	(751)
Dividend income	19	(10)	(6)	-	(8,900)
Operating profit/(loss) before working capital changes carried forward		12,845	22,003	(442)	(4,037)

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash flows from operating activities (cont'd.)					
Operating profit/(loss) before working capital changes brought forward		12,845	22,003	(442)	(4,037)
Changes in working capital:					
Decrease in property development costs		6,819	116,223	-	-
(Increase)/decrease in trade and other receivables		(2,760)	20,161	(14,804)	(242)
Increase in inventories		(23,889)	(17,093)	-	-
(Decrease)/increase in trade and other payables		(650)	19,162	1,995	(35,935)
Changes in subsidiaries balances		-	-	(8,694)	10,803
Cash (used in)/generated from operations		(7,635)	160,456	(21,945)	(29,411)
Interest received		384	314	384	751
Dividend received		-	-	-	8,900
Taxes paid		(8,145)	(27,015)	-	-
Net cash (used in)/generated from operating activities		(15,396)	133,755	(21,561)	(19,760)
Cash flows from investing activities					
Interest received		1,379	2,019	-	-
Dividend received		10	6	-	-
Subscription in capital of a subsidiary company		-	-	(500)	-
Proceeds from disposal of property, plant and equipment		-	156	-	80
Purchase of property, plant and equipment		(3,654)	(4,472)	(22)	(61)
Purchase of investment properties		-	(205,639)	-	-
Placement in short term deposits		-	(13,306)	-	-
Placement in financial assets at fair value through profit or loss		-	(11,931)	-	(2,000)
Proceeds from disposal of financial assets at fair value through profit or loss		11,941	-	2,084	-
Proceeds from government grant		15,251	-	-	-
Net cash generated from/(used in) investing activities		24,927	(233,167)	1,562	(1,981)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Cash flows from financing activities					
Net repayment of hire purchase payables		(533)	(424)	(105)	(68)
Proceeds from issuance of shares - ESOS		312	3,142	312	3,142
ESOS cost received		-	-	-	4,082
Drawdown of loans		52,152	318,151	-	50,000
Repayment of term loans		(48,487)	(231,293)	-	-
Dividend paid		(2,978)	(1,980)	(2,978)	(1,980)
Interest paid		(25,948)	(6,179)	(3,946)	(4,021)
Net cash (used in)/generated from financing activities		(25,482)	81,417	(6,717)	51,155
Net (decrease)/increase in cash and cash equivalents		(15,951)	(17,995)	(26,716)	29,414
Cash and cash equivalents at beginning of year		71,883	89,878	31,877	2,463
Cash and cash equivalents at end of year	14	55,932	71,883	5,161	31,877

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Menara SMI, No.6, Lorong P. Ramlee, 50250 Kuala Lumpur and the principal place of business of the Company is located at Ground Floor, Menara SMI, No.6, Lorong P. Ramlee, 50250 Kuala Lumpur.

The Company is principally involved in the holding of securities for investment purposes, provision of management services and trading of building materials. The principal activities of the subsidiaries and associate are disclosed in Notes 7 and 8 to the financial statements, respectively.

There has been no significant change in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 July 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These set of financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (“”FRS””) and the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2015 as described fully in Note 2.2.

These set of financial statements have been prepared under the historical cost basis except when otherwise disclosed. Furthermore, these set of financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2015, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2015.

Description	Effective for annual periods beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

The nature and impact of the new and amended FRSs and IC Interpretation are described below:

Amendments to FRS 119 Defined Benefit Plans: Employee Contributions

The amendments to FRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's financial statements.

Annual Improvements to FRSs 2010–2012 Cycle

The Annual Improvements to FRSs 2010-2012 Cycle include a number of amendments to various FRSs, which are summarised below.

Standards	Descriptions
FRS 2 Share-based Payment	This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including: - A performance condition must contain a service condition; - A performance target must be met while the counterparty is rendering service; - A performance target may relate to the operations or activities of an entity, or those of another entity in the same group; - A performance condition may be a market or non-market condition; and - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The Group did not grant any awards during the year. Thus, this amendment did not impact the Group.
FRS 3 Business Combinations	The amendments to FRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 9 or FRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014. This is consistent with the Group's current accounting policy and thus, this amendment did not impact the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

Annual Improvements to FRSs 2010–2012 Cycle (cont'd)

Standards	Descriptions
FRS 8 Operating Segments	The amendments are to be applied retrospectively and clarify that: - an entity must disclose the judgements made by management in applying the aggregation criteria in FRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and - the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The Group has not applied the aggregation criteria as mentioned above. The Group continues to present the reconciliation of segment assets to total assets.
FRS 116 Property, Plant and Equipment and FRS 138 Intangible Assets	The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset. This amendment did not have any impact on the Group.
FRS 124 Related Party Disclosures	The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. This amendment is not applicable to the Group as the Group does not receive any management services from other entities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

Annual Improvements to FRSs 2011–2013 Cycle

The Annual Improvements to FRSs 2011-2013 Cycle include a number of amendments to various FRSs, which are summarised below. The Group has applied the amendments for the first time in the current year.

Standards	Descriptions
FRS 3 Business Combinations	The amendments to FRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively. The Group does not have any joint arrangement and thus this is not relevant to the Group.
FRS 13 Fair Value Measurement	The amendments to FRS 13 clarify that the portfolio exception in FRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of FRS 9 (or FRS 139 as applicable). The Group does not apply the portfolio exception.
FRS 140 Investment Property	The amendments to FRS 140 clarify that an entity acquiring investment property must determine whether: - the property meets the definition of investment property in terms of FRS 140; and - the transaction meets the definition of a business combination under FRS 3, to determine if the transaction is a purchase of an asset or is a business combination. In previous financial years, the Group has applied FRS 3 and not FRS 140 in determining whether an acquisition is of an asset or is a business combination. Accordingly, this amendment did not have any impact to the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2012 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
FRS 9 Financial Instruments	1 January 2018

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset forms part of the business) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (cont'd)

Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. These amendments are not expected to have any impact to the Group.

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group.

Amendments to FRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (cont'd)

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated.

In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (cont'd)

FRS 14 Regulatory Deferral Accounts

FRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of FRS. Entities that adopt FRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing FRS preparer, this standard would not apply.

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group and the Company's financial assets, but no impact on the classification and measurement of the Group and the Company's financial liabilities.

Annual Improvements to FRSs 2012–2014 Cycle

The Annual Improvements to FRSs 2012-2014 Cycle include a number of amendments to various FRSs, which are summarised below. The Group and the Company are currently assessing the impact of the application of this standard on the financial position and performance of the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (cont'd)

Annual Improvements to FRSs 2012–2014 Cycle (cont'd)

Standards	Descriptions
FRS 5 Non-current Assets Held for Sale and Discontinued Operations	The amendment to FRS 5 clarifies that changing from one disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in FRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.
FRS 7 Financial Instruments: Disclosures	The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in FRS 7 in order to assess whether the disclosures are required.
FRS 119 Employee Benefits	The amendment to FRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
FRS 134 Interim Financial Reporting	FRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (such as in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: Agriculture and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities').

The Company falls within the definition of Transitioning Entities and is currently exempted from adopting the MFRS. Accordingly, the Company will adopt the MFRS and present its first MFRS financial statements when adoption of the MFRS is mandated by the MASB. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Company is in the process of assessing the financial effects of the differences between the accounting standards under FRS and under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2016 and 31 March 2015 could be different if prepared under the MFRS Framework.

2.4 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income.

If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

Business combinations (cont'd.)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.4(d).

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The acquisition of equity interest in the previous years have been accounted for as a business combination involving entities under common control. Accordingly, the assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid, the share capital of the "acquired" entity and the pre-acquisition reserves as at date of common control is reflected within equity as merger reserve.

(b) Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

(c) Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(d) Intangible asset

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Goodwill is not amortised but instead, is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(e) Investment in an associate

An associate is an entity, not being a subsidiary nor a joint venture, in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(e) Investment in an associate (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The financial statements of the associate are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investment in an associate is accounted for at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

(f) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Certain long term leasehold land and building have not been revalued since they were first revalued in 1992. The directors have not adopted a policy of regular valuations of such assets. As permitted under the transitional provisions of International Accounting Standards (IAS) No. 16 (Revised): Property, Plant and Equipment adopted by the Malaysian Accounting Standards Board ("MASB"), the long term leasehold land and building is stated at their 1992 valuation less accumulated depreciation and impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(f) Property, plant and equipment, and depreciation (cont'd.)

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost or valuation of each asset to its residual value over the estimated useful life, at the following annual rates:

Long term leasehold land	1%
Long term leasehold buildings	1% - 2%
Motor vehicles	20%
Office furniture and equipment	20%
Plant and machinery	20%
Renovation	20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

(g) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at using the comparison method considering recent market transactions for similar properties in the same location as well as the investment method that makes reference to estimated market rental values and equivalent yields. Valuations are performed by accredited independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year of retirement or disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(g) Investment properties (cont'd)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment as set out in Note 2.4(f) up to the date of change in use.

Investment properties under construction are measured at cost as the fair value could not be reliably obtained.

(h) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified to property development costs (classified within current assets) when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Land held for property development comprises costs associated with the acquisition of land and all costs incurred subsequent to the acquisition but prior to the transfer to property development costs on activities necessary to prepare the land for its intended use.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Costs consist of land and development expenditure. Development expenditures include borrowing costs relating to the financing of the land and development.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(h) Land held for property development and property development costs (cont'd)

(ii) Property development costs (cont'd)

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that it is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within current assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within current liabilities.

(i) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(i) Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(j) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables, available-for-sale financial assets and financial assets at fair value through profit or loss.

(i) Loans and receivables

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

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(j) Financial assets (cont'd)

(ii) Financial assets at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other expenses or other income.

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

(iii) Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are financial assets that are designated as available for sale or are not classified in any of the other categories.

After initial recognition, AFS financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an AFS equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

AFS financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(k) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised costs

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency of significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(k) Impairment of financial assets (cont'd)

(iii) Assets classified as AFS

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligator and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as AFS financial assets are impaired.

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on AFS equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income.

(l) Inventories of completed properties

Inventories of completed properties are stated at lower of cost (determined on the specific identification basis) and net realisable value ("NRV"). Cost includes costs associated with the acquisition of land, direct costs and appropriate proportions of common costs.

NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(m) Cash and cash equivalents

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

(n) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(n) Financial liabilities (cont'd)

(i) Financial liabilities at fair value through profit or loss (cont'd)

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group and the Company classify their financial liabilities as other financial liabilities which include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(o) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably measured.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(p) Leases

(i) As a lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

Total operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(w)(v).

(q) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use. Capitalisation of borrowing costs shall cease when substantially all the activities to prepare the asset for its intended use or sale are completed.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(r) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2.4(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(r) Income taxes (cont'd)

(ii) Deferred tax (cont'd)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(s) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the country in which it has operations. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to the defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(s) Employee benefits (cont'd)

(iii) Share-based compensation

The Asian Pac Holdings Berhad's Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision in original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the options expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(t) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(t) Foreign currencies (cont'd)

(ii) Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items, or on the translation of monetary items, are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

(u) Current versus non-current classification

The Group and the Company present their assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realised within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading
(iii) It is due to be settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(v) Fair value measurement

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group and the Company use valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group measures investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group had engaged independent professional valuers to determine the fair values as at the reporting date.

(w) Revenue and other income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and they can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable.

(i) Sale of properties

Revenue from sale of properties are accounted for by the stage of completion method as described in Note 2.4(h)(ii).

(ii) Sale of building materials

Revenue from the sale of building materials are recognised net of discounts upon the transfer of significant risks and rewards to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(w) Revenue and other income (cont'd)

(iii) Car park operations

Revenue from car park operations are recognised as and when the services are rendered.

(iv) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR) method.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in revenue and other income in the statement of profit or loss.

(v) Rental income

Rental income is recognised on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(vi) Dividend income

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

(vii) Management fees

Management fees are recognised when these services are rendered.

(x) Tenant deposits

Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

(y) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to an asset is presented in the statement of financial position by deducting the grants in arriving at the carrying amount of the asset. Alternatively, the fair value may be recognised as deferred capital grant in the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(y) Government grants (cont'd)

Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(z) Segment reporting

For management reporting purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

(aa) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(ab) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.5 Significant accounting judgements and estimates

(a) Judgements made in applying accounting policies

The preparation of the Group's financial statements requires the management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material judgement to the carrying amount of the asset or liability affected in the future.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant accounting judgements and estimates (cont'd)

(a) Judgements made in applying accounting policies (cont'd)

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately.

If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(iii) Impairment of available-for-sale investments

The Group reviews its quoted securities classified as available-for-sale investments at each reporting date to assess whether there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

For the financial year ended 31 March 2016, the amount of impairment loss recognised for available-for-sale financial assets for the Group and the Company were RM364,000 (2015: RMNil) and RM119,000 (2015: RMNil) respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant accounting judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. The recoverable amount of the property development CGU has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering five-year periods. The property development's CGU used in the five-year cash flow projections is based on the expected sales and contracted costs throughout the duration of development project and using the stage of completion method as described in the property development cost Note 2.4(h)(ii). The carrying amount of goodwill as at 31 March 2016 was RM14,104,000 (2014: RM14,796,000). Further details are disclosed in Note 6 to the financial statements.

(ii) Property development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. Details of property development costs are disclosed in Note 4(b) to the financial statements.

(iii) Deferred tax

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profits will be available against which the tax losses and capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iv) Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of the income tax expense are disclosed in Note 26 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant accounting judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(v) Allowance for bad and doubtful debts

The policy for allowance for bad and doubtful debts of the Group is based on management's judgement and the evaluation of collectability and ageing analysis of the receivables inclusive of retention sum and advances to sub-contractors. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, additional allowance may be required.

(vi) Fair values of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in determining fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The Group engaged independent valuation specialists to determine fair value as at 31 March 2016.

(vii) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at grant date. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including volatility and dividend yield.

3. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation		At cost			
	Long term leasehold building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Long term leasehold land RM'000	Motor vehicles, office furniture, equipment, plant, tools, machinery and renovation RM'000	Total RM'000
At 31 March 2016						
At valuation/cost						
At 1 April 2015	200	170	26,345	7,868	11,558	46,141
Additions	-	-	395	-	3,569	3,964
Transfer to investment properties (Note 5)	-	-	(22,381)	(7,340)	-	(29,721)
Disposal	-	-	-	-	(5)	(5)
Write off	-	-	-	-	(462)	(462)
At 31 March 2016	200	170	4,359	528	14,660	19,917
Accumulated depreciation						
At 1 April 2015	96	78	3,407	662	6,060	10,303
Depreciation charge for the year (Note 25)	4	5	51	5	2,320	2,385
Transfer to investment properties (Note 5)	-	-	(2,884)	(611)	-	(3,495)
Disposal	-	-	-	-	(2)	(2)
Write off	-	-	-	-	(409)	(409)
At 31 March 2016	100	83	574	56	7,969	8,782
Net carrying amount						
At 31 March 2016	100	87	3,785	472	6,691	11,135

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	At valuation		At cost			
	Long term leasehold building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Long term leasehold land RM'000	Motor vehicles, office furniture, equipment, plant, tools, machinery and renovation RM'000	Total RM'000
At 31 March 2015						
At valuation/cost						
At 1 April 2014	200	170	26,345	7,868	9,693	44,276
Additions	-	-	-	-	5,882	5,882
Disposal	-	-	-	-	(1,521)	(1,521)
Write off	-	-	-	-	(2,496)	(2,496)
At 31 March 2015	200	170	26,345	7,868	11,558	46,141
Accumulated depreciation						
At 1 April 2014	92	73	2,916	562	8,088	11,731
Depreciation charge for the year (Note 25)	4	5	491	100	1,829	2,429
Disposal	-	-	-	-	(1,519)	(1,519)
Write off	-	-	-	-	(2,338)	(2,338)
At 31 March 2015	96	78	3,407	662	6,060	10,303
Net carrying amount						
At 31 March 2015	104	92	22,938	7,206	5,498	35,838

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicles RM'000	Office furniture and equipment RM'000	Total RM'000
At 31 March 2016			
Cost			
At 1 April 2015	1,086	126	1,212
Additions	-	22	22
Write off	-	(1)	(1)
At 31 March 2016	1,086	147	1,233
Accumulated depreciation			
At 1 April 2015	599	117	716
Depreciation charge for the year (Note 25)	121	10	131
Write off	-	(1)	(1)
At 31 March 2016	720	126	846
Net carrying amount			
At 31 March 2016	366	21	387
At 31 March 2015			
Cost			
At 1 April 2014	1,081	222	1,303
Additions	609	-	609
Disposal	(604)	-	(604)
Write off	-	(96)	(96)
At 31 March 2015	1,086	126	1,212
Accumulated depreciation			
At 1 April 2014	1,081	191	1,272
Depreciation charge for the year (Note 25)	122	22	144
Disposal	(604)	-	(604)
Write off	-	(96)	(96)
At 31 March 2015	599	117	716
Net carrying amount			
At 31 March 2015	487	9	496

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Long term leasehold land and building of the Group, stated at valuation

The long term leasehold land and building of the Group were revalued in 1992 based on professional valuations conducted on the basis of open market value.

The property has not been revalued since it was first revalued in 1992. The directors have not adopted a policy of regular valuations of such assets. As permitted under the transitional provisions of International Accounting Standards (IAS) No. 16 (Revised): Property, Plant and Equipment adopted by the Malaysian Accounting Standards Board, the property is stated at its 1992 valuation as its surrogate cost less accumulated depreciation and impairment losses.

Had the revalued long term leasehold building been carried at historical cost less accumulated depreciation, the net carrying amount as at 31 March 2016 would have been RM207,000 (2015: RM219,000).

(b) Long term leasehold land and building of the Group, stated at cost

Certain long term leasehold land and building of the Group with a carrying value of RM3,874,000 (2015: RM3,919,000) has been charged to a financial institution as securities for the revolving credit facilities granted to the Group as disclosed in Note 17(c).

(c) Fully depreciated assets

Included in property, plant and equipment of the Group and of the Company are the costs of fully depreciated assets which are still in use as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Motor vehicles	2,873	1,770	476	476
Office furniture and equipment	728	771	114	99
Renovation	510	510	-	-
	4,111	3,051	590	575

(d) Assets held under hire purchase arrangements

During the current financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM3,964,000 (2015: RM5,882,000) and RM22,000 (2015: RM609,000), respectively, of which assets costing RM310,000 (2015: RM1,410,000) and RM Nil (2015: RM548,000) of the Group and the Company respectively, were acquired by means of hire purchase arrangements.

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Assets held under hire purchase arrangements (cont'd)

Leased assets are pledged as security for the related lease liabilities (Note 17(d)). Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Motor vehicles	1,306	1,530	366	488

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group	
	2016 RM'000	2015 RM'000
Long term leasehold land		
Cost and carrying amount		
At beginning of year	54,068	54,068
Incidental cost to the land	305	-
At end of year	54,373	54,068

Long term leasehold land of the Group with a carrying value of RM54,373,000 (2015: RM54,068,000) has been charged to a financial institution as securities for revolving credit granted to the Group as disclosed in Note 17(c).

(b) Property development costs

	Group	
	2016 RM'000	2015 RM'000
Cumulative property development costs		
At 1 April 2015/2014:		
Freehold land	61,237	72,602
Long term leasehold land	56,362	85,277
Development costs	271,763	367,194
	389,362	525,073

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(b) Property development costs (cont'd)

	Group 2016 RM'000	Group 2015 RM'000
Cumulative property development costs (cont'd.)		
Costs incurred during the year:		
Freehold land	-	193
Long term leasehold land	23,735	2,139
Development costs	89,050	135,940
	112,785	138,272
Transfers:		
To investment properties (Note 5)	-	(67,784)
To inventories of completed properties (Note 11)	(29,443)	(17,093)
	(29,443)	(84,877)
Reversal of completed projects:		
Freehold land	-	(9,883)
Long term leasehold land	(28,339)	(21,792)
Development costs	(188,789)	(157,431)
	(217,128)	(189,106)
At 31 March 2016/2015	255,576	389,362
Cumulative costs recognised in profit or loss		
At 1 April 2015/2014	(291,247)	(310,735)
Recognised during the year (Note 20)	(90,464)	(169,618)
Reversal of completed projects	217,128	189,106
At 31 March 2016/2015	(164,583)	(291,247)
Property development costs at 31 March 2016/2015	90,993	98,115

Included in property development costs incurred during the financial year are interest costs capitalised amounting to RM1,955,000 (2015: RM2,324,000) (Note 24).

Included in property development costs of the Group are freehold and leasehold land and development costs amounting to RM37,560,000 (2015: RM29,148,000) which have been charged to financial institutions as securities for the term loan, Islamic financing and revolving credit as disclosed in Note 17(a), (b) and (c).

5. INVESTMENT PROPERTIES

Fair value/cost	Freehold land RM'000	Leasehold land RM'000	Leasehold land and building RM'000	Investment properties under construction RM'000	Total RM'000
At 31 March 2016					
At 1 April 2015	63,700	71,299	998,137	-	1,133,136
Transfer from property, plant and equipment (Note 3)	-	-	26,226	-	26,226
Government grant received (Note 21)	-	-	(15,251)	-	(15,251)
Net gain/(loss) from fair value adjustments recognised in profit or loss	15,900	(2,000)	89,215	-	103,115
At 31 March 2016	79,600	69,299	1,098,327	-	1,247,226
At 31 March 2015					
At 1 April 2014	-	68,999	1,411	336,496	406,906
Additions	20,900	-	-	118,187	139,087
Reclassification	-	-	454,683	(454,683)	-
Transfer from property development costs (Note 4(b))	-	-	67,784	-	67,784
Net gain from fair value adjustments recognised in profit or loss (Note 21)	42,800	2,300	474,259	-	519,359
At 31 March 2015	63,700	71,299	998,137	-	1,133,136

Investment properties are stated at fair value, which has been determined based on valuations at the reporting date. Fair values were determined using the comparison method considering recent market transactions for similar properties in the same location as well as the investment method that makes reference to estimated market rental values and equivalent yields. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued.

Fair values using the comparison method were based on level 2 of the fair value hierarchy: other techniques for which the lowest level inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly. On the other hand, fair values using the investment method were based on level 3 of the fair value hierarchy: other techniques for which the lowest level inputs that have a significant effect on the recorded fair value are unobservable.

5. INVESTMENT PROPERTIES (CONT'D)

Reconciliation of fair value:

	Investment properties	
	Land and office properties RM'000	Land and retail properties RM'000
As at 1 April 2014	70,410	-
Additions	20,900	-
Transfer from investment properties under construction	-	454,683
Transfer from property development costs	-	67,784
Remeasurement recognised in profit or loss	45,220	474,139
As at 31 March 2015	136,530	996,606
Transfer from property, plant and equipment	-	26,226
Government grant received	-	(15,251)
Remeasurement recognised in profit or loss	13,960	89,155
As at 31 March 2016	150,490	1,096,736

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant observable inputs	Property
Investment method	Investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.	Land/retail
Comparison method	Comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, shape and terrain of land, tenurial interest and restrictions if any, occupancy status, built-up area building construction, finishes and services, age and condition of building and other relevant characteristics.	Land/office

Interest expense capitalised in investment properties under construction was RM Nil (2015: RM13,712,000) (Note 24).

5. INVESTMENT PROPERTIES (CONT'D)

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

	2016 RM'000	2015 RM'000
Rental income (Note 19):		
- Land and office properties	1,250	1,200
- Land and retail properties	29,497	184
Other income	961	-
Direct operating expenses (Note 25)	(14,675)	(106)
Profit arising from investment properties	17,033	1,278

Included in investment properties is certain long term leasehold land of the Group amounting to approximately RM45,000,000 (2015: RM43,000,000) which has been leased to a third party under an operating lease agreement, as disclosed in Note 29.

Certain freehold and long term leasehold land and investment properties of the Group with carrying value of RM1,134,700,000 (2015: RM1,103,306,000) have been charged to financial institutions as securities for credit facilities granted to the Group, as disclosed in Note 17(a) and (b).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6. INTANGIBLE ASSET

	Group	
	2016 RM'000	2015 RM'000
Cost		
At 1 April/31 March 2015/2014	23,942	23,942
Accumulated impairment		
At 1 April 2015/2014	(9,146)	(6,667)
Impairment loss recognised in profit or loss (Note 25)	(692)	(2,479)
At 31 March 2016/2015	(9,838)	(9,146)
Net carrying amount		
At 31 March 2016/2015	14,104	14,796

6. INTANGIBLE ASSET (CONT'D)

(i) Allocation of goodwill

Goodwill arising from business combinations has been allocated to two cash-generating units ("CGUs") for impairment testing, namely property development and property investment.

The carrying amounts of goodwill allocated to each CGU are as follows:

	Group	
	2016 RM'000	2015 RM'000
Property development		
At 1 April 2015/2014	1,520	3,999
Impairment loss recognised in profit or loss (Note 25)	(692)	(2,479)
At 31 March 2016/2015	828	1,520
Property investment		
At 1 April/ 31 March 2016/2015	13,276	13,276
Total goodwill	14,104	14,796

(ii) Impairment testing of goodwill

The recoverable amount of the property development CGU has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering five-year periods. The property development's CGU used in the five-year cash flow projections is based on the expected sales and contracted costs throughout the duration of development project and using the stage of completion method as described in the property development cost Note 2.4(h)(ii).

The recoverable amount of the property investment CGU has been determined by registered independent appraisers having an appropriate recognised professional qualification and recent experience in the category of the properties being valued. Fair values were determined by making reference to estimated market rental values and equivalent yields.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares, at cost	575,700	575,200
Accumulated impairment losses	(120,842)	(125,996)
	454,858	449,204

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows:

Name of Subsidiaries	Paid up share capital RM'000	Proportion of ownership interest 2016 %	2015 %	Principal activities
Held by the Company				
Climate Engineering (Malaya) Sdn. Bhd.	50,000	100	100	Investment holding (dormant)
AGB Properties Sdn. Bhd.	1,000	100	100	Investment holding and renting out of offices & retail properties
Pinus Park Sdn. Bhd.	680	100	100	Renting out of bungalow (dormant)
BH Builders Sdn. Bhd.	110,000	100	100	Investment holding, property investment and development and renting out retail properties
Primadana Utama Sdn. Bhd.	2,500	100	100	Investment holding, property investment and development
Prousaha (M) Sdn. Bhd.	5,000	90	90	Property investment and development
Syarikat Kapasi Sdn. Bhd.	178,000	100	100	Property investment and development and carpark operation
Changkat Fajar Sdn. Bhd.	1,000	100	100	Property investment and development
Quality Trend Sdn. Bhd.	244	100	100	Property investment and development (dormant)
Asian Pac Property Management Sdn. Bhd.	500	100	100	Property management
Asian Pac Parksafe Sdn. Bhd.	500,000	100	-	Car park operation
Held through subsidiaries:				
BH Realty Sdn. Bhd.	3,100	100	100	Property investment and development and car park operation
Wangsa Masyhur Sdn. Bhd.	30,000	100	100	Property investment and development (dormant)
Tekad Intisari Sdn. Bhd.	*	75	75	Property development (dormant)
Taman Bestari Sdn. Bhd.	750	100	100	Property development

* Represents paid-up share capital of RM100

All subsidiary companies are being audited by Ernst & Young, Malaysia.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Significant events

On 7 December 2015, the Company entered into a share sale agreement to acquire the remaining 500,000 ordinary shares of RM1.00 each in Prousaha (M) Sdn. Bhd. ("PMSB") for a total consideration of RM12,000,000. The Company will have 100% ownership in PMSB upon completion of the sale which is subject to conditions precedent as stipulated in the share sale agreement. The sale is expected to be completed in the subsequent financial year.

On 18 December 2015, the Company incorporated a new subsidiary company, Asian Pac Parksafe Sdn. Bhd. for the purpose of managing the Group's car park operations business.

During the financial year, the Company recognised a reversal of impairment losses of RM10,920,000 (2015: RM52,355,000) (Note 21) and additional impairment losses of RM5,766,000 (2015: RM Nil) (Note 25) on its investments in certain subsidiaries.

Management determined the recoverable amount of these investments based on the individual asset's value in use. The net present value of the future cash flows to be generated from these assets is the asset's value in use and it is assumed to be the same as net worth of the assets as at the reporting date. An impairment loss is recognised immediately in profit or loss if the recoverable amount is less than the carrying amount.

(a) Summarised financial information on subsidiaries with non-controlling interests

Summarised financial information of Prousaha (M) Sdn. Bhd. and Tekad Intisari Sdn. Bhd. which have non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination.

	Prousaha (M) Sdn. Bhd. RM'000	Tekad Intisari Sdn. Bhd. RM'000	Total RM'000
At 31 March 2016			
NCI percentage of ownership interest and voting interest	10.00%	25.00%	
Carrying amount of NCI	354	(121)	233
Loss attributable to NCI	(22)	(1)	(23)
At 31 March 2015			
NCI percentage of ownership interest and voting interest	10.00%	25.00%	
Carrying amount of NCI	376	(120)	256
Loss attributable to NCI	(11)	(1)	(12)

7. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(i) Summarised statement of financial position

	Prousaha (M) Sdn. Bhd.		Tekad Intisari Sdn. Bhd.		Total	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current assets	2	3	-	-	2	3
Current assets	21,882	24,305	36	40	21,918	24,345
Total assets	21,884	24,308	36	40	21,920	24,348
Non-current liabilities	8,771	4,770	-	-	8,771	4,770
Current liabilities	9,565	15,772	610	610	10,175	16,382
Total liabilities	18,336	20,542	610	610	18,946	21,152
Net assets/(liabilities)	3,548	3,766	(574)	(570)	2,974	3,196
Equity attributable to owners of the parent	3,194	3,390	(453)	(450)	2,741	2,940
Non-controlling interests	354	376	(121)	(120)	233	256
	3,548	3,766	(574)	(570)	2,974	3,196

7. INVESTMENT IN SUBSIDIARIES (CONT'D.)

	Prousaha (M) Sdn. Bhd.		Tekad Intisari Sdn. Bhd.		Total	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(ii) Summarised statement of profit or loss						
Loss for the year	(217)	(109)	(4)	(4)	(221)	(113)
Loss attributable to owners of the parent	(195)	(98)	(3)	(3)	(198)	(101)
Loss attributable to non-controlling interest	(22)	(11)	(1)	(1)	(23)	(12)
(iii) Summarised statement of cash flows						
Net cash generated from/(used in) operating activities	174	15	(4)	(7)	170	8
Net cash used in financing activities	-	(3)	-	-	-	(3)
Net increase/(decrease) in cash and cash equivalents	174	12	(4)	(7)	170	5
Cash and cash equivalents at 1 April	15	3	40	47	55	50
Cash and cash equivalents at 31 March	189	15	36	40	225	55

8. INVESTMENT IN AN ASSOCIATE

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares outside Malaysia	375	375
Less: Accumulated impairment losses	(375)	(375)
	-	-

The Group has not recognised losses relating to the associate where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the reporting date was RM451,000 (2015: RM451,000). The Group has no obligation in respect of these losses.

Details of the associate, which is incorporated in Indonesia are as follows:

Name of associate	Paid-up share capital RM'000	Proportion of ownership interest 2016 %	Proportion of ownership interest 2015 %	Principal activities
PT AP International *	750	50	50	Property development and property management

* Audited by a firm other than Ernst & Young

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

	PT AP International	
	2016 RM'000	2015 RM'000
(i) Summarised statement of financial position		
Current assets representing total assets	8	8
Current liabilities representing total liabilities	910	910
Net liabilities attributable to owners of associate	(902)	(902)

8. INVESTMENT IN AN ASSOCIATE (CONT'D)

	PT AP International	
	2016	2015
	RM'000	RM'000
(ii) Summarised statement of profit or loss		
Loss for the year	-	(302)
(iii) Reconciliation of net liabilities to the carrying amount of Group's interest in the associate		
Group's share of net liabilities	(451)	(451)
Unrecognised losses	451	451
Carrying amount of Group's interest in associate	-	-
(iv) Group's share of results of associate	-	(151)

9. AVAILABLE-FOR-SALE INVESTMENTS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Available-for-sale financial assets				
Non-current				
Quoted shares in Malaysia	3,849	4,535	1,194	1,354
Quoted shares outside Malaysia	18	20	18	20
	3,867	4,555	1,212	1,374

Unrealised (loss)/gain on fair valuation on available-for-sale investments amounting to (RM324,000) (2015: RM166,000) and (RM43,000) (2015: RM44,000) of the Group and of the Company were taken to other comprehensive income.

Dividend income amounting to RM10,000 (2015: RM6,000) (Note 19) was taken to profit or loss.

10. DEFERRED TAX

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	(190,011)	(50,962)	10	2
Recognised in profit or loss (Note 26)	(7,735)	(139,049)	(12)	8
At 31 March 2016/2015	(197,746)	(190,011)	(2)	10
Presented after appropriate offsetting as follows:				
- Deferred tax assets	1,223	2,495	-	15
- Deferred tax liabilities	(198,969)	(192,506)	(2)	(5)
	(197,746)	(190,011)	(2)	10

The components and movements of deferred tax assets and liabilities of the Group during the financial year prior to appropriate offsetting are as follows:

Group	Revaluation of land held for property development, investment properties and capital allowances RM'000	Provisions and unused tax losses RM'000	Total RM'000
Deferred tax assets:			
At 1 April 2015	-	2,571	2,571
Recognised in profit or loss	-	(1,313)	(1,313)
At 31 March 2016	-	1,258	1,258
At 1 April 2014	-	2,136	2,136
Recognised in profit or loss	-	435	435
At 31 March 2015	-	2,571	2,571
Deferred tax liabilities:			
At 1 April 2015	(192,582)	-	(192,582)
Recognised in profit or loss	(6,422)	-	(6,422)
At 31 March 2016	(199,004)	-	(199,004)
At 1 April 2014	(53,098)	-	(53,098)
Recognised in profit or loss	(139,484)	-	(139,484)
At 31 March 2015	(192,582)	-	(192,582)

10. DEFERRED TAX (CONT'D.)

The components and movements of deferred tax assets and liabilities of the Company during the financial year prior to appropriate offsetting are as follows:

Company	Provisions 2016 RM'000	Provisions 2015 RM'000
Deferred tax assets:		
As at 1 April 2015/2014	15	9
Recognised in profit or loss	(10)	6
As at 31 March 2016/2015	5	15

Company	Capital allowance 2016 RM'000	Capital allowance 2015 RM'000
Deferred tax liabilities:		
As at 1 April 2015/2014	(5)	(7)
Recognised in profit or loss	(2)	2
As at 31 March 2016/2015	(7)	(5)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Unused tax losses	27,703	8,191	6,370	5,674
Unabsorbed capital allowances	753	194	62	37
	28,456	8,385	6,432	5,711

The unused tax losses of the Group and the Company are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the Malaysian taxation authority.

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and such items have arisen in subsidiaries that have a history of losses.

11. INVENTORIES OF COMPLETED PROPERTIES

	Group	
	2016	2015
	RM'000	RM'000
As at 1 April 2015/2014	23,783	6,690
Transfer from property development costs (Note 4(b))	29,443	17,093
Recognised as cost of sales (Note 20)	(5,554)	-
As at 1 April 2016/2015	47,672	23,783

Certain completed property with carrying value of RM3,218,000 (2015: RM3,218,000) have been charged to financial institution as security for credit facility granted to the Group, as disclosed in Note 17(c).

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables	28,728	21,938	4,483	-
Other receivables				
Due from previous stockbroking clients	6,687	8,225	-	-
Sundry receivables	15,586	22,124	925	600
Deposit - Earnest deposit	10,000	-	10,000	-
Other deposits	3,061	2,871	6	8
GST input recoverable	479	-	-	-
Due from associate	1,004	1,004	1,004	1,004
Due from subsidiaries	-	-	20,916	11,582
	36,817	34,224	32,851	13,194
Less: Allowance for impairment	(7,722)	(7,251)	(1,443)	(1,443)
	29,095	26,973	31,408	11,751
Total trade and other receivables	57,823	48,911	35,891	11,751
Add: Deposits with licensed banks with maturity of more than 3 months (Note 14)	13,682	13,306	-	-
Add: Cash and cash equivalents (Note 14)	55,932	71,883	5,161	31,877
Total loans and receivables	127,437	134,100	41,052	43,628

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

The Group's and the Company's normal trade credit terms range from 7 to 60 days (2015: 7 to 60 days) and 60 days (2015: 60 days) respectively. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or a group of debtors.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables are as follows:

	Group	
	2016 RM'000	2015 RM'000
Neither past due nor impaired	16,348	9,212
1 to 30 days past due not impaired	2,453	1,848
31 to 60 days past due not impaired	4,960	6,196
61 to 90 days past due not impaired	1,146	422
More than 91 days past due not impaired	3,821	4,260
	12,380	12,726
	28,728	21,938

The total trade receivables are unsecured in nature.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM12,380,000 (2015: RM12,726,000) that are past due at the reporting date but not impaired and are unsecured in nature.

(b) Other receivables

Other receivables that are impaired

At the reporting date, the Group has provided an allowance of RM6,234,000 (2015: RM6,179,000) for impairment on the amount due from previous stockbroking clients and RM1,488,000 (2015: RM1,072,000) for impairment on sundry receivables and amount due from associate. The Company has provided an allowance of RM1,004,000 (2015: RM1,004,000) for impairment on amount due from associate and RM439,000 (2015: RM439,000) for impairment on the amount due from a subsidiary.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables (cont'd)

Other receivables that are impaired (cont'd)

The amounts due from previous stockbroking clients represent amounts receivable from margin clients and non-margin clients prior to the disposal of the Group's stockbroking business in prior years and are partly collateralised by quoted shares.

Sundry receivables are unsecured, non-interest bearing and repayable on demand.

Movements in allowance accounts

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	(7,251)	(7,158)	(1,443)	(1,207)
Bad debts recovered (Note 21)	58	60	-	-
Impairment losses (Note 25)	(529)	(236)	-	(236)
Reversal of impairment loss (Note 21)	-	83	-	-
At 31 March 2016/2015	(7,722)	(7,251)	(1,443)	(1,443)

(c) Due from subsidiaries and an associate

The amounts due from subsidiaries and an associate are non-trade in nature. These amounts are unsecured, non-interest bearing and are repayable on demand.

The amount due from an associate is provided for in full.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are cash funds placed in an asset management company.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash at banks and on hand	40,741	37,248	146	54
Short term deposits with:				
Licensed banks	13,239	12,376	-	-
Financial institutions	15,634	35,565	5,015	31,823
Total cash and bank balances	69,614	85,189	5,161	31,877
Less: Deposits with licensed banks and financial institutions with maturity of more than 3 months	(13,682)	(13,306)	-	-
Cash and cash equivalents	55,932	71,883	5,161	31,877

Included in cash at banks of the Group are amounts of RM25,250,000 (2015: RM18,581,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Included in cash at banks of the Group is an amount of RM30,783,000 (2015: RM28,302,000) pledged to financial institutions for credit facilities granted to a number of subsidiaries as disclosed in Note 17(b) and (c).

Short term deposits with licensed banks of the Group amounting to RM11,288,000 (2015: RM10,349,000) are pledged to licensed banks for credit facilities granted to the Company and a subsidiary as disclosed in Note 17(c) and performance guarantees given to third parties.

The weighted average effective interest rates of short term deposits at the reporting date are as follows:

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Licensed banks	3.16	3.01	-	-
Financial institutions	3.35	3.30	3.34	3.35

The average maturities of short term deposits as at the end of the financial year are as follows:

	Group		Company	
	2016 Days	2015 Days	2016 Days	2015 Days
Licensed banks	99	85	-	-
Financial institutions	17	20	15	19

15. SHARE CAPITAL

Group and Company:	Number of ordinary shares of RM0.20 each 2016 '000	2015 '000	Amount 2016 RM'000	2015 RM'000
Authorised:				
At beginning/end of year	7,500,000	7,500,000	1,500,000	1,500,000
Issued and fully paid:				
At 1 April 2015/2014, at par value of RM0.20 each	991,026	975,315	198,205	195,063
Issued during the year:				
Share options exercised under ESOS	1,538	15,711	308	3,142
At 31 March 2016/2015, at par value of RM0.20 each	992,564	991,026	198,513	198,205

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company residual assets.

Employee Share Option Scheme

The Asian Pac Holdings Berhad's Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 31 October 2005. The ESOS was granted on 31 May 2006 and is to be in force for a period of five (5) years from the date of implementation. The ESOS granted in prior years expired on 30 May 2011. The tenure of the ESOS was extended for another 5 years to 12 April 2016.

The salient features of the ESOS are as follows:

(i) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company.

(ii) Subject to the discretion of the ESOS Committee, any employee whose employment has been confirmed and any directors of the Group, shall be eligible to participate in the ESOS.

(iii) The total number of ordinary shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.

15. SHARE CAPITAL (CONT'D)

Employee Share Option Scheme (cont'd)

(iv) The option price for each share shall be the price as determined by the ESOS Committee which is at a discount of not more than ten per cent (10%) or such maximum discount as may be permitted by the relevant regulatory authorities from the weighted average market price of the new ordinary shares for the five (5) market days preceding the date on which the option is granted, or the par value of the new ordinary shares of the Company of RM0.20 each, whichever is higher. The option price is payable only in cash.

(v) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of grant throughout the period of five (5) years from 31 May 2006. The employees' entitlements to the options are vested as soon as they become exercisable.

(vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

(vii) The persons to whom the options have been granted have no right to participate by virtue of the options, in any share issue of any other company.

In the previous financial year, the Company has granted ESOS twice to eligible employees of the Group as follows:

(a) On 19 March 2014, the Company granted 53,740,000 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company. At the closing date of 18 April 2014, 52,075,000 ESOS granted were accepted by employees of the Group.

(b) On 21 October 2014, the Company granted 7,657,500 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company. At the closing date of 20 November 2014, 7,300,000 ESOS granted were accepted by employees of the Group.

(c) The fair value of share options granted during the previous financial year was estimated by an external valuer using the Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows:

Fair value of share options granted on 19 March 2014:

	2014
Fair value of share options at grant date, 19 March 2014 (RM)	0.078
Weighted average share price (RM)	0.201
Expected volatility (%)	64.603%
Expected life (years)	2.0690
Risk free rate (%)	4.061%

Fair value of share options granted on 21 October 2014:

	2015
Fair value of share options at grant date, 21 October 2014 (RM)	0.084
Weighted average share price (RM)	0.243
Expected volatility (%)	60.712%
Expected life (years)	1.4767
Risk free rate (%)	3.781%

15. SHARE CAPITAL (CONT'D)

Employee Share Option Scheme (cont'd)

The expected life of the options are not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

16. OTHER RESERVES

		Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
ESOS option reserve	(a)	3,291	3,411	3,291	3,411
Merger reserve	(b)	-	-	78,000	78,000
Fair value adjustment reserve	(c)	43	367	9	52
		3,334	3,778	81,300	81,463

Movements in reserves are shown in the respective statements of changes in equity.

The nature and purpose of each category of reserve are as follows:

(a) ESOS option reserve

ESOS option reserve represents the equity-settled share options granted to the employees.

(b) Merger reserve

The premium on shares issued in respect of the acquisition of BH Builders Sdn. Bhd. in the financial year ended 31 March 1996 had been credited to the merger reserve in accordance with the relief granted by Section 60(4) of the Companies Act, 1965 in Malaysia.

(c) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale investments until they are disposed of or impaired.

17. LOANS AND BORROWINGS

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Current					
Secured:					
Floating rate term loans	(a)	2,679	10,144	-	-
Islamic financing	(b)	25,730	63,200	-	-
Revolving credit	(c)	88,000	54,000	50,000	50,000
Obligation under finance leases	(d)	419	520	108	105
		116,828	127,864	50,108	50,105
Non-current					
Secured:					
Floating rate term loans	(a)	17,243	12,936	-	-
Islamic financing	(b)	246,000	234,442	-	-
Obligation under finance leases	(d)	990	1,112	266	374
		264,233	248,490	266	374
Total loans and borrowings		381,061	376,354	50,374	50,479

The remaining maturities of the loans and borrowings are as follows:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
On demand and within 1 year	116,828	127,864	50,108	50,105
More than 1 year and less than 2 years	86,626	61,647	112	108
More than 2 years and less than 5 years	109,634	88,912	154	266
More than 5 years	67,973	97,931	-	-
	381,061	376,354	50,374	50,479

(a) The floating rate term loans are obtained for development projects and investment properties of the Company's wholly-owned subsidiary companies, Prousaha (M) Sdn. Bhd. and AGB Properties Sdn. Bhd. respectively These term loans bear an average interest rate of 5.35% to 6.37% (2015: 5.27% to 6.27%) per annum. These are secured by charges over the Group's freehold property as well as development costs as disclosed in Note 4(b), certain leasehold properties (Note 5), and corporate guarantee provided by the holding company amounting to RM19,922,000 (2015: RM23,080,000).

17. LOANS AND BORROWINGS (CONT'D)

(b) Islamic financing is obtained for refinancing of the investment properties of wholly-owned subsidiary, Syarikat Kapasi Sdn. Bhd., working capital of a wholly-owned subsidiary, BH Realty Sdn. Bhd. for financing of acquisition of investment properties by wholly-owned subsidiary, BH Builders Sdn. Bhd. and for development project of Taman Bestari Sdn. Bhd. It bears an average interest rate of 5.31% to 7.1% (2015: 4.78% to 7.1%) per annum. It is secured by charges over the Group's leasehold property as well as the development costs as disclosed in Note 4(b), freehold and leasehold properties as disclosed in Note 5, certain bank balances (Note 14), lease proceeds from an operating lease (Note 29) and corporate guarantee provided by the holding company amounting to RM278,772,000 (2015: RM297,642,000).

(c) Revolving credits are obtained for the working capital of the Company and the Company's wholly-owned subsidiary companies, BH Realty Sdn. Bhd. and Syarikat Kapasi Sdn. Bhd, The revolving credits bear an average interest rate of 5.8% to 7.85% (2015: 5.48% to 7.79%) per annum. These are secured by charges over the Group's long term leasehold land and building as disclosed in Note 3(b), long term leasehold land held for property development and leasehold property as well as development costs as disclosed in Note 4(a) and (b), certain inventory of completed property (Note 11), certain short term deposits and cash balances (Note 14) and corporate guarantee provided by the holding company amounting to RM38,000,000 (2015: RM4,000,000).

(d)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Future minimum lease payments:				
Within and up to 1 year	470	576	118	118
After 1 and up to 2 years	418	404	118	118
After 2 and up to 5 years	629	781	157	274
	1,517	1,761	393	510
Less: Future finance charges	(108)	(129)	(19)	(31)
Present value of future minimum lease payments	1,409	1,632	374	479
Present value of finance lease liabilities:				
Within and up to 1 year	419	520	108	105
After 1 and up to 2 years	385	367	112	108
After 2 and up to 5 years	605	745	154	266
Present value of finance lease liabilities	1,409	1,632	374	479
Analysed as:				
Due within 12 months	419	520	108	105
Due after 12 months	990	1,112	266	374
	1,409	1,632	374	479

The hire purchase payables bear interest between 1.51% to 3.25% (2015: 2.32% to 3.25%) per annum.

These obligations are secured by a charge over the leased assets (Note 3(d)).

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current				
Trade payables				
Third parties	119,492	138,772	1,895	-
Other payables				
Deposits from property purchasers	4,578	9,217	-	-
Deposits from tenants	2,218	10,758	-	-
Other deposits	1,622	1,323	-	-
Interest payables	2,021	3,245	783	742
Accruals	18,707	1,939	131	134
Amount due to shareholder	2,000	-	-	-
Amounts due to subsidiaries	-	-	26,689	26,050
Others	8,246	9,632	107	44
	39,392	36,114	27,710	26,970
	158,884	174,886	29,605	26,970
Non-current				
Trade payables				
Retention sum payable	13,675	13,142	-	-
Other payables				
Deposits from tenants	9,411	-	-	-
	23,086	13,142	-	-
Total trade and other payables	181,970	188,028	29,605	26,970
Add: Loans and borrowings (Note 17)	381,061	376,354	50,374	50,479
Total financial liabilities carried at amortised cost	563,031	564,382	79,979	77,449

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 to 60 days (2015: 30 to 60 days).

The amounts due to subsidiaries by the Company are non-trade in nature. These amounts are unsecured, non-interest bearing and are repayable on demand.

19. REVENUE

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Sale of development properties	110,625	225,215	-	-
Sale of building materials	4,630	-	4,630	-
Sale of inventories of completed properties	6,086	-	-	-
Car park operations	2,427	3,244	-	-
Interest income	372	332	372	751
Rental income from:				
- Land and office properties	1,250	1,200	-	-
- Land and retail property	29,497	184	-	-
Dividend income from:				
- Subsidiaries	-	-	-	8,900
- Equity investment, quoted in Malaysia (Note 9)	10	6	-	-
Management fees from:				
Subsidiaries	-	-	1,851	1,647
Others	8	88	-	-
	154,905	230,269	6,853	11,298

20. COST OF SALES

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Property development costs (Note 4(b))	90,464	169,618	-	-
Cost of building materials	3,561	-	3,561	-
Car park operations	831	1,139	-	-
Cost of inventories sold (Note 11)	5,554	-	-	-
Property management operation costs	16,129	-	-	-
Others	56	41	-	-
	116,595	170,798	3,561	-

21. OTHER INCOME

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Administration charges	134	222	-	-
Bad debts recovered (Note 12(b))	58	60	-	-
Gain on changes in fair value of investment properties	107,115	519,359	-	-
Net gain on disposal of property, plant and equipment	-	154	-	80
Other interest income	1,379	2,399	-	-
Overdue interest income	1,014	493	-	-
Purchasers' deposit forfeited	326	532	-	-
Gain on fair value adjustments of financial assets at fair value through profit or loss	95	290	41	43
Rental income	58	37	-	-
Reversal of impairment loss on:				
- other receivables (Note 12(b))	-	83	-	-
- investment in subsidiaries (Note 7)	-	-	10,920	52,355
Unwinding of discount	1,438	285	-	-
Government grant received	15,129	-	-	-
Miscellaneous income	1,275	237	-	-
	128,021	524,151	10,961	52,478

During the financial year ended 31 March 2016, a subsidiary of the Group received a financial grant from the Government of Malaysia through the Public Private Partnership Unit of the Prime Minister's Department.

22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages and salaries	13,567	11,756	2,145	1,948
Contributions to defined contribution plan	1,802	1,590	457	417
Social security contributions	73	62	2	2
Short term accumulating compensated absence	(81)	191	(42)	26
ESOS option cost	-	4,057	-	220
Other employee benefits	539	360	39	28
	15,900	18,016	2,601	2,641

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,294,000 (2015: RM3,346,000) and RM1,801,000 (2015: RM1,775,000) respectively as further disclosed in Note 23.

23. DIRECTORS' REMUNERATION

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Directors of the Company:				
Executive directors' remuneration:				
Salaries and other emoluments	3,294	3,346	1,801	1,775
Non-executive directors' remuneration (Note 25):				
Fees and other emoluments	222	791	96	426
Total directors' remuneration	3,516	4,137	1,897	2,201

The details of the remuneration receivable by directors of the Group during the year are as follows:

	Salary and other emoluments RM'000	Fees RM'000	Bonus RM'000	Total RM'000
At 31 March 2016				
Executive				
Dato' Mustapha bin Buang	1,449	-	352	1,801
Yu Tat Loong *	1,185	-	308	1,493
	2,634	-	660	3,294
Non-executive				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas *	6	120	-	126
Dato' Mohamed Salleh bin Bajuri	-	48	-	48
Tan Siew Poh	-	48	-	48
	6	216	-	222
	2,640	216	660	3,516

* The above director's remuneration was paid by subsidiary companies.

23. DIRECTORS' REMUNERATION (CONT'D)

	Salary and other emoluments RM'000	Fees RM'000	Bonus RM'000	ESOS RM'000	Total RM'000
At 31 March 2015					
Executive					
Dato' Mustapha bin Buang	1,323	-	320	132	1,775
Yu Tat Loong *	998	-	280	293	1,571
	2,321	-	600	425	3,346
Non-executive					
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas *	-	120	-	245	365
Dato' Mohamed Salleh bin Bajuri	-	48	-	167	215
Tan Siew Poh	-	48	-	163	211
	-	216	-	575	791
	2,321	216	600	1,000	4,137

* The above director's remuneration was paid by subsidiary companies.

The number of directors of the Company whose total remuneration during the financial year fall within the following bands are analysed below:

	2016	2015
Executive directors:		
RM1,350,001 - RM1,550,000	1	-
RM1,550,001 - RM1,750,000	-	1
RM1,750,001 - RM1,950,000	1	1
Non-executive directors:		
Below RM50,000	2	-
RM100,001 - RM150,000	1	-
RM200,001 - RM250,000	-	2
RM350,001 - RM400,000	-	1

24. FINANCE COSTS

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Interest expense on:				
Hire purchase	60	56	13	10
Bank borrowings	28,519	21,858	3,933	3,696
Loan from shareholder	62	315	-	315
Unwinding of deposit payable	524	-	-	-
	29,165	22,229	3,946	4,021
Less:				
Interest expense capitalised under:				
- Property development costs (Note 4(b))	(1,955)	(2,324)	-	-
- Investment properties (Note 5)	-	(13,712)	-	-
	27,210	6,193	3,946	4,021

25. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Employee benefits expense (Note 22)	15,900	18,016	2,601	2,641
Non-executive directors' remuneration (Note 23)	222	791	96	426
Auditors' remuneration				
- statutory audit	300	229	55	49
- other services	7	7	7	7
- under/(over)provision in prior year	4	16	(5)	3
Depreciation				
- property, plant and equipment (Note 3)	2,385	2,429	131	144
Property, plant and equipment written off (Note 3)	53	158	-	-
Impairment of:				
- quoted investments (Note 9)	364	-	119	-
- investment in subsidiaries (Note 7)	-	-	5,766	-
- intangible asset (Note 6)	692	2,479	-	-
- other receivables (Note 12(b))	529	236	-	236
Loss on disposal of property, plant and equipment	3	-	-	-
Loss on changes in fair value of investment properties	4,000	-	-	-
Provision for liquidated ascertained damages	1,315	4,869	-	-
Direct operating expenses attributable to income generating investment properties (Note 5)	14,675	106	-	-
Rental of land and buildings	1,106	1,126	-	-

26. INCOME TAX EXPENSE/(BENEFIT)

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Income tax:				
Current year tax expense	1,903	13,049	-	-
Underprovision in prior years	4,827	167	682	-
	6,730	13,216	682	-
Deferred tax (Note 10):				
Relating to origination and reversal of temporary differences	7,595	140,231	13	(9)
Effects of change in tax rate	-	(1,157)	-	-
Under/(over)provision in prior years	140	(25)	(1)	1
	7,735	139,049	12	(8)
Total income tax expense/(benefit)	14,465	152,265	694	(8)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

The domestic statutory tax rate will be reduced to 24% in year of assessment 2016. The computation of deferred tax as at 31 March 2015 has reflected this change.

26. INCOME TAX EXPENSE/(BENEFIT) (CONT'D.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2016 and 2015 are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax	88,076	528,844	929	53,141
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	21,138	132,211	223	13,285
Income not subject to tax	(25,338)	(123,890)	(2,710)	(15,532)
Effects of change in tax rate	-	(1,157)	-	-
Expenses not deductible for tax purposes	1,503	64	2,327	1,782
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(148)	(15)	-	-
Deferred tax liabilities recognised	7,433	144,352	-	-
Deferred tax assets not recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	4,965	547	173	456
Deferred tax assets recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	(55)	-	-	-
Tax on prepayment received	-	11	-	-
Underprovision of tax expense in prior years	4,827	167	682	-
Under/(over)provision of deferred tax in prior years	140	(25)	(1)	1
Tax expense/(benefit) for the year	14,465	152,265	694	(8)

Tax savings during the financial year arising from:

	Group	
	2016 RM'000	2015 RM'000
Utilisation of tax losses and capital allowances brought forward from previous years	148	15

27. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year held by the Company.

27. EARNINGS PER SHARE (CONT'D)

(a) Basic (cont'd)

	Group 2016	Group 2015
Profit net of tax, attributable to owners of the parent used in the computation of basic earnings per share (RM'000)	73,634	376,591
Weighted average number of ordinary shares in issue ('000)	992,408	985,792
Basic earnings per share attributable to ordinary equity holders of the Company (sen)	7.4	38.2

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the current financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	Group 2016	Group 2015
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	73,634	376,591
Weighted average number of ordinary shares in issue ('000)	992,408	985,792
Effects of dilution:		
Assumed exercise of share options granted under ESOS #	1,988	12,325
Adjusted weighted average number of ordinary shares in issue and issuable	994,396	998,117
Diluted earnings per share (sen)	7.4	37.8

The assumed exercise of ESOS at average market price for the current financial year is treated as an issue of ordinary shares for no consideration.

28. DIVIDENDS

	RM'000
Recognised during the year:	
In respect of the financial year ended 31 March 2015:	
Special single tier dividend of RM0.003 per ordinary share on 992,563,966 ordinary shares, approved on 21 September 2015 and paid on 8 November 2015.	2,978

The directors do not recommend the payment of any dividend in respect of the current financial year.

29. OPERATING LEASE COMMITMENTS

(a) Group as lessor

On 15 December 2004, the Group entered into a Lease Agreement ("the Agreement") with Magnificent Diagraph Sdn. Bhd. ("MDSB"), a company incorporated in Malaysia, for the lease of one long term leasehold land measuring approximately 6.265 acres as described in Note 5 to the financial statements.

Amongst the salient terms of the Agreement are as follows:

(a) the Group agrees to lease the long term leasehold land to MDSB for a period of thirty (30) years commencing within one (1) month from the date at which all conditions precedent in the Agreement have been fulfilled ("the Commencement Date");

(b) The lease is provided for the purpose of the erection and construction and subsequent use by MDSB thereon for a hypermarket facility;

(c) MDSB shall pay to the Group an amount of RM474,846 as deposit;

(d) The amount of rental payable by MDSB to the Group shall be calculated as follows:

  (i) RM0.145 per square foot per month during the construction period;

  (ii) RM0.29 per square foot per month commencing from the day immediately following the expiry of the construction period to the expiry of a period of three (3) years commencing from the Commencement Date; and

  (iii) Thereafter, at the end of every period of three (3) years each, the first of which shall commence from the Commencement Date, the rental shall be increased at the rate of seven per centum (7%) of the rental of the preceding three (3) years period.

(e) Notwithstanding anything in the Agreement, MDSB shall be entitled to lawfully terminate the Agreement at any time prior to the expiry of three (3) years each, the first such three (3) years period to commence from the date of the Agreement, without compensation or liability to the Group and the Group shall refund MDSB the deposit as described in item (c) above.

On 8 November 2005, all conditions precedent in the Agreement were fulfilled.

The lease proceeds from operating lease have been charged to financial institution as securities for the facilities granted to the Group, as disclosed in Note 17(b).

In addition to the above, the Group has entered into commercial property leases on its investment properties and plant and equipment. These leases have remaining lease terms of between 1 to 3 years with renewal option included in the contracts.

29. OPERATING LEASE COMMITMENTS (CONT'D)

(a) Group as lessor (cont'd)

Future minimum rentals receivable under non-cancellable operating leases that are between 1 to 3 years at the reporting date are as follows:

	Group 2016 RM'000	Group 2015 RM'000
Not later than 1 year	36,320	28,480
Later than 1 year but not later than 3 years	40,066	59,625
	76,386	88,105

(b) Group as lessee

The Group has entered into commercial leases with third parties for the rental of office and residential premises. The leases have a tenure of 1 to 3 years with renewal option included in the contracts.

Minimum lease payments recognised in profit or loss for the financial year ended 31 March 2016 amounted to RM1,106,000 (2015: RM1,126,000) (Note 25).

Future minimum rentals payable at the reporting date are as follows:

	Group 2016 RM'000	Group 2015 RM'000
Not later than 1 year	1,333	1,288
Later than 1 year but not later than 5 years	495	1,260

30. CAPITAL COMMITMENT

	Group and Company 2016 RM'000	Group and Company 2015 RM'000
Capital expenditure		
Approved and contracted for:		
Acquisition of unquoted shares (Note 7)	2,000	-

31. CONTINGENT LIABILITIES

Upon adoption of FRS 139, the financial guarantees provided to financiers for related companies are no longer disclosed as contingent liabilities but would instead be recorded as financial liabilities if considered likely to crystallise. The Group has assessed the financial guarantee contracts and concluded that the crystallisation of these guarantees is remote.

32. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2016 RM'000	2015 RM'000
Rental paid/payable to a company with common director	587	319
Sales of exterior shops by a related company to other related companies	-	37,145
Rental guarantee by a related company to other related companies	3,540	-
Property management fee by a related company to other related companies	17,280	-
Carpark management fee by related companies to other related companies	927	-
Interest on amount due to shareholder	62	-

	Company	
	2016 RM'000	2015 RM'000
Interest on amount due to shareholder	-	438
Loan interest charged to a subsidiary	-	419
Gross dividend income from subsidiaries	-	8,900
Management fees charged to subsidiaries	1,851	1,647

The above transactions with related companies were transacted at terms and conditions which were mutually agreed between the parties concerned.

Related companies refer to companies within the Asian Pac Holdings Group.

(b) Compensation by key management personnel

The Company defines key management personnel as its directors whose remunerations are detailed in Note 23.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

Group	2016 Carrying amount RM'000	2016 Fair value RM'000	2015 Carrying amount RM'000	2015 Fair value RM'000
Financial liabilities:				
Loans and borrowings (non-current)				
- Floating rate term loans	17,243	16,802	12,936	12,542
- Islamic financing	246,000	235,103	234,442	229,936
- Obligation under finance leases	990	984	1,112	1,112

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value:

	Note
Trade and other receivables	12
Loans and borrowings (current)	17
Trade and other payables	18

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Finance lease obligations

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

34. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

The fair value of all unexpired financial guarantees issued by the Company were deemed nil and were not recognised as financial liabilities, as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed party defaulting within the guaranteed period were assessed to be remote (Note 17).

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties.

Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compare each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

34. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

As at 31 March 2016 and 31 March 2015, the Group and the Company held the following assets carried at fair value in the statements of financial position:

	2016 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	3,849	3,849	-	-
Quoted shares outside Malaysia	18	18	-	-
Investment properties	1,247,226	-	240,591	1,006,635
Company				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,194	1,194	-	-
Quoted shares outside Malaysia	18	18	-	-

	2015 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Assets measured at fair value				
Financial assets at fair value through profit or loss	12,221	12,221	-	-
Available-for-sale financial assets:				
Quoted shares in Malaysia	4,535	4,535	-	-
Quoted shares outside Malaysia	20	20	-	-
Investment properties	1,133,136	-	225,155	907,981
Company				
Assets measured at fair value				
Financial assets at fair value through profit or loss	2,043	2,043	-	-
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,354	1,354	-	-
Quoted shares outside Malaysia	20	20	-	-

During the financial years ended 31 March 2016 and 31 March 2015, there were no known transfers between Level 1 and Level 2 fair value measurements.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

- Corporate guarantee provided by the Company to banks or financial institutions on subsidiaries' bank loans and borrowings.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 12 to the financial statements.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

	2016		2015	
Group	**RM'000**	**% of total**	**RM'000**	**% of total**
By business segments:				
Property development	23,372	81.4%	21,533	98.2%
Car park operations	12	0.0%	203	0.9%
Mall operations	861	3.0%	202	0.9%
Trading of building materials	4,483	15.6%	-	0.0%
	28,728	100%	21,938	100%

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objectives are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 39% (2015: 34%) of the Group's loans and borrowings (Note 17) will mature in less than one year based on the carrying amount reflected in the financial statements.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

2016	On demand or within one year RM'000	More than one year less than five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	158,884	23,086	-	181,970
Loans and borrowings	144,178	238,006	84,691	466,875
Total undiscounted financial liabilities	303,062	261,092	84,691	648,845
Company				
Financial liabilities:				
Trade and other payables, excluding financial guarantees	29,605	-	-	29,605
Loans and borrowings	50,108	266	-	50,374
Total undiscounted financial liabilities*	79,713	266	-	79,979
2015				
Group				
Financial liabilities:				
Trade and other payables	174,886	14,087	-	188,973
Loans and borrowings	150,154	199,851	119,936	469,941
Total undiscounted financial liabilities	325,040	213,938	119,936	658,914
Company				
Financial liabilities:				
Trade and other payables, excluding financial guarantees	26,970	-	-	26,970
Loans and borrowings	50,344	393	-	50,737
Total undiscounted financial liabilities*	77,314	393	-	77,707

* At the reporting date, the counterparty to the financial guarantees do not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arise primarily from the short term deposits and loans and borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax arising as a result of lower/higher interest income on short term deposits and interest expense on floating rate loans and borrowings would have the following effects:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit net of tax	(250)	(251)	(34)	(14)

(d) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from investment in quoted equity instruments in Malaysia and Singapore. These instruments are classified as available-for-sale financial assets. The Group and the Company do not have exposure to commodity price risk.

The Group's and the Company's exposure to market price risk are minimal as the Group's and the Company's investment in quoted equity instruments are small compared to its total assets.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposure arising from amount due from an associate that is denominated in Indonesian Rupiah. The Company is also exposed to currency translation risk arising from its net investments in foreign operations.

The Company's exposure to foreign currency risk is minimal.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. No changes were made in the objectives, policies or processes during the years ended 31 March 2016 and 31 March 2015.

The Group's policy is to maintain a sustainable gearing ratio to meet its existing requirements taking into consideration the facilities agreements entered into by the Group. The Group includes within the net debt, loans and borrowings, hire purchase liabilities, trade and other payables, less other investment, short term deposits, cash and cash equivalents. Capital refers to equity attributable to owners.

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Loans and borrowings	17	381,061	376,354	50,374	50,479
Trade and other payables	18	181,970	188,028	29,605	26,970
Less: Short term deposits	14	(13,682)	(13,306)	-	-
Cash and cash equivalents	14	(55,932)	(71,883)	(5,161)	(31,877)
Net debt		493,417	479,193	74,818	45,572
Equity attributable to the owners of the parent, representing total capital		862,316	791,672	417,675	420,149
Capital and net debt		1,355,733	1,270,865	492,493	465,721
Gearing ratio		36%	38%	15%	10%

37. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has 5 reportable operating segments as follows:

(i) Investment holding - holding of quoted and unquoted shares for capital investment purposes;
(ii) Property development - development of residential and commercial properties;
(iii) Land and office properties - rental and capital appreciation;
(iv) Car park operations - operation of car park; and
(v) Mall operations - mall leasing and operation.

Except as indicated above, no operating segments have been aggregated to form the above reportable segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

37. SEGMENT INFORMATION (CONT'D.)

	Investment holding and others		Property development		Property investment: Land and office properties		Property investment: Car park operations		Property investment: Mall operations		Adjustments and eliminations		Note	Consolidated	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000		2016 RM'000	2015 RM'000
Revenue:															
External customers	5,012	339	116,719	225,302	1,250	1,200	2,427	3,244	29,497	184	-	-		154,905	230,269
Inter-segment	1,851	29,567	-	37,145	7	7	927	-	20,820	-	(23,605)	(66,719)	A	-	-
Total revenue	6,863	29,906	116,719	262,447	1,257	1,207	3,354	3,244	50,317	184	(23,605)	(66,719)		154,905	230,269
Results:															
Interest income	372	751	1,350	2,097	-	-	-	-	29	-	-	(117)		1,751	2,731
Dividend income	10	27,506	-	-	-	-	-	-	-	-	-	(27,500)		10	6
Depreciation	141	175	1,902	1,603	11	72	45	579	286	-	-	-		2,385	2,429
Other non-cash expenses	-	743	82	4,048	4	-	-	-	497	-	(4)	-	B	579	4,791
Impairment of assets	10,494	236	416	2,479	-	-	-	-	-	-	(9,325)	-	C	1,585	2,715
Segment profit/ (loss)	276	51,340	14,797	43,964	9,438	45,493	1,794	1,526	66,858	468,894	(5,087)	(82,373)		88,076	528,844
Assets and liabilities:															
Additions to non-current assets	22	744	2,935	5,138	-	20,900	-	-	1,311	113,773	-	-		4,268	140,555
Segment assets	25,640	45,321	253,974	250,895	149,601	138,178	103,844	29,749	1,027,710	1,012,679	71,768	73,218	D	1,632,537	1,550,040
Segment liabilities	53,366	52,659	112,396	65,408	19,776	20,002	6	870	525,088	576,549	59,356	42,624	E	769,988	758,112

37. SEGMENT INFORMATION (CONT'D.)

Notes **Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

A Inter-segment revenues are eliminated upon consolidation.

B Other material non-cash expenses consist of the following items presented in the respective notes to the financial statements:

	Note	2016 RM'000	2015 RM'000
ESOS option costs		-	4,632
Loss on disposal of property, plant and equipment		3	1
Property, plant and equipment written off	25	53	158
Unwinding of interest		523	-
		579	4,791

C Impairment of assets consist of:

	Note	2016 RM'000	2015 RM'000
Impairment of intangible asset	6	692	2,479
Impairment on quoted investment	25	364	-
Impairment on other receivables	25	529	236
		1,585	2,715

D The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2016 RM'000	2015 RM'000
Land held for property development	40,369	40,369
Intangible asset	14,104	14,796
Property development costs	13,280	14,583
Trade and other receivables	-	(4,153)
Inventories for completed properties	5,431	7,623
Accrued Income	(1,416)	-
	71,768	73,218

37. SEGMENT INFORMATION (CONT'D.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd)

E The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2016 RM'000	2015 RM'000
Accrued cost	(1416)	-
Deferred tax liabilities	60,772	42,624
	59,356	42,624

Geographical segments

No geographical segment is prepared as the Group operates only in Malaysia.

38. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings or accumulated losses of the Group and of the Company as at 31 March 2016 into realised and unrealised profits or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2012 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained earnings				
- Unrealised retained earnings/ (accumulated losses)	497,078	395,086	(1,006)	(994)
- Realised retained earnings	179,911	192,186	135,317	138,048
	676,989	587,272	134,311	137,054
Add : Consolidation adjustments	(20,071)	(1,010)	-	-
Total retained earnings	656,918	586,262	134,311	137,054

Location	Description	Existing Use	Tenure	Age of Building	Area	Net Book Value RM'000	Acquisition/ Completion/ Valuation Date
Title No. TL 17533505 Kota Kinabalu, Sabah	KKTS 2 - Mall, Exterior Shops, Basement & Elevated Car Parks	Retail Properties and Car Park Operations	Leasehold expires : 31/12/2076	1	15.45 acres	1,061,599	29/03/2016
HSD 28646, Lot No. PT 4021, Mukim of Semenyih, District of Ulu Langat, Selangor	Land	Investment Property	Freehold	NA	94.06 acres	79,600	10/03/2016
H.S. (D) 157186, PT 23762, Mukim Labu, Daerah Seremban, Negeri Sembilan	Land	Vacant	Leasehold expires : 9/11/2102	N/A	399.84 acres	54,372	23/03/2006
PN 39178, Lot 63579 Mukim of Batu, Wilayah Persekutuan	Land	For Lease	Leasehold expires : 10/01/2087	N/A	6.23 acres	45,000	31/03/2016
PT 298, HS (D) 39196 Mukim Bandar Kundang, Gombak, Selangor	Land	Vacant	Leasehold expires : 24/1/2101	N/A	49.97 acres	24,300	22/03/2016
Title No. TL 17540500 Kota Kinabalu, Sabah	Ground and basement carpark	Carpark operations	Leasehold Expires : 31/12/2080	8	114,039 sq. ft.	23,437	10/03/2016
H.S. (D) 501497, PTB 23364, Bandar Johor Bahru, Mukim Johor, Johor	Land	Property under development	Freehold	N/A	2.8 acres	23,281	23/03/2006
Country Lease No. 025314096 District of Papar, Sabah	Land	Property under development	Leasehold expires : 28/06/2924	N/A	16.57 acres	22,941	10/09/2015
H.S. (D) 153647, PT 43498, Mukim Sungai Buloh, Petaling, Selangor	Land	Land held for development	Leasehold expires : 29/10/2100		6.47 acres	22,144	26/03/2013
PN 39177, Lot No. 63582, Mukim of Batu, Wilayah Persekutuan	Land	Property under development	Leasehold expires : 10/01/2087		3 acres	16,412	11/01/1988

ANALYSIS OF EQUITY SHAREHOLDINGS
AS AT 30 JUNE 2016

Authorized Share Capital	:	RM1,500,000,000
Issued and paid-up capital	:	RM198,512,922.00
Class of Shares	:	Ordinary Shares of RM0.20 each
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS/DEPOSITORS

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 – 99	211	1.230	4,050	0.000
100 – 1,000	3,549	20.691	3,408,065	0.343
1,001 – 10,000	8,871	51.719	42,718,196	4.303
10,001 – 100,000	3,779	22.032	139,708,590	14.075
100,001 – 49,628,229	740	4.314	702,120,840	70.738
49,628,230 and above	2	0.011	104,604,869	10.538
Total	**17,152**	**100.000**	**992,564,610**	**100.000**

LIST OF THIRTY LARGEST SHAREHOLDERS/DEPOSITORS

	Name	No. of Shares Held	% of Issued Capital
1	Mah Sau Cheong	54,604,869	5.501
2	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	50,000,000	5.037
3	South Malaysia Industries Berhad	48,344,000	4.870
4	Affin Hwang Nominees (Tempatan) Sdn Bhd - Southern Corporation (Nibong Tebal) Sdn Bhd for Mah Sau Cheong	40,813,800	4.111
5	Dato' Mustapha Bin Buang	29,724,485	2.994
6	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	23,550,000	2.372
7	Seraya Kota Sdn Bhd	22,765,000	2.293
8	Bandar Sri Tujuh Sdn Bhd	21,445,000	2.160
9	HSBC Nominees (Asing) Sdn Bhd Exempt An For the Hongkong and Shanghai Banking Corporation Limited	15,506,200	1.562
10	Puncak Darul Naim Sdn Bhd	14,739,575	1.484
11	Puncak Darul Naim Sdn Bhd	14,463,200	1.457
12	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	13,100,000	1.319
13	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	9,936,932	1.001
14	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rozanita Binti Zainal Abidin	9,000,000	0.906
15	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wee Hian @ Mah Siew Kung	8,057,100	0.811

	Name	No. of Shares Held	% of Issued Capital
16	Kenanga Nominees (Tempatan) Sdn Bhd KKC for Kwan Chu Wah	7,349,855	0.740
17	Leow Soon Seng	6,700,000	0.675
18	Lew Soon Kiak	6,389,300	0.643
19	Taman Bunga Merlimau Sdn Bhd	5,782,000	0.582
20	Zubaidah Binti Bunyamin	5,753,900	0.579
21	Chin Khee Kong & Sons Sdn Bhd	5,563,700	0.560
22	MP Factors Sdn Bhd	5,040,000	0.507
23	Chin Lai Kuen	5,000,000	0.503
24	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	4,700,000	0.473
25	Leow Pek Fong @ Liew Pek Fong	4,575,000	0.460
26	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited	4,519,399	0.455
27	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	4,512,900	0.454
28	Mah Siew Seong	4,070,000	0.410
29	RHB Nominees (Tempatan) Sdn Bhd – OSK Trustees Berhad for the Divine Vision Trust	4,061,700	0.409
30	Bakry Bin Hamzah	4,000,000	0.402
		454,067,915	45.746

SUBSTANTIAL SHAREHOLDERS
AS PER REGISTER OF SUBSTANTIAL SHAREHOLDER

	No. of Shares Held			
	Direct	%	Indirect	%
Mah Sau Cheong	182,068,669	18.34	*5,260,000	0.53

DIRECTORS' INTEREST IN SHARES

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	-	-	-	-
Dato' Mustapha Bin Buang	32,850,985	3.31	*800,000	0.08
Dato' Mohamed Salleh Bin Bajuri	500,000	0.05	-	-
Tan Siew Poh	2,188	Neglible	-	-
Dr. Yu Tat Loong	-	-	-	-

Note:

* Deemed interest by virtue of his spouse.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-Eighth Annual General Meeting of the Company will be held at Bayan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 30 August 2016 at 11.00 a.m. to transact the following business:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2016 and the Reports of the Directors and Auditors. ***Please refer Note 3***

2. To re-elect Dato' Mohamed Salleh Bin Bajuri as Director of the Company who retire by rotation and being eligible offers himself for re-election in accordance with Article 115 of the Company's Articles of Association. ***Resolution 1***

3. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965: ***Resolution 2***

   "THAT Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed Director of the Company to hold office until the next Annual General Meeting."

4. To re-appoint Messrs Ernst & Young as the Company's Auditors to hold office for the ensuing year and to authorise the Directors to fix their remuneration. ***Resolution 3***

SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolutions with or without modifications as:-

   (a) Ordinary Resolution - Authority to issue shares pursuant to Section 132D of the Companies Act 1965 ***Resolution 4***

   THAT pursuant to Section 132D of the Companies Act 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit PROVIDED that the aggregate number of shares to be issued for such person or persons whomever does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.

   (b) Ordinary Resolution – Directors' Fees ***Resolution 5***

   To approve the Directors' Fees of RM96,000.00 for the financial year ended 31 March 2016.

(c) Ordinary Resolution – Retention as Independent Non-Executive Director

(i) "THAT subject to the passing of Resolution 2, authority be and is hereby given to Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company." ***Resolution 6***

(ii) "THAT subject to the passing of Resolution 1, authority be and is hereby given to Dato' Mohamed Salleh Bin Bajuri who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company." ***Resolution 7***

6. To transact any other business for which due notice shall have been given in accordance with the Companies Act 1965 and the Company's Articles of Association.

By Order of the Board
Chan Yoon Mun (MAICSA 0927219)
Ooi Mei Ying (MAICSA 7051036)
Secretaries

Kuala Lumpur
29 July 2016

Notes:

1) Members Entitled To Attend

In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 August 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 98th AGM or appoint proxy/proxies to attend and/or vote on his behalf.

2) Appointment of Proxy

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (but not more than two [2] proxies) to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.

(b) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(e) An instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or by his/her attorney and in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

(f) An instrument appointing a proxy must be deposited at the Registered Office of the Company at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

3) Explanatory Notes on Ordinary Business

Item 1 of the Agenda – To receive the Audited Financial Statements for the financial year ended 31 March 2016
This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item will not put forward for voting.

Item 3 of the Agenda – Re-appointment of Director
The re-appointment of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas, a person over the age of 70 years as Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolution 2 is passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or by proxy at a general meeting in accordance to Section 129(6) of the Companies Act 1965.

4) Explanatory Notes on Special Business

(a) Resolution 4 - Section 132D of the Companies Act 1965
The proposed Resolution 4, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, to issue a maximum not up to ten percent (10%) of the issued and paid-up capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

The proposed Resolution 4 is a renewal of general mandate that has been sought in the preceding year. There were no proceeds raised from the previous mandate given to the Directors at the last Annual General Meeting held on 21 September 2015.

The general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to further placing of shares, for the purpose of funding future investment project(s) working capital and/or acquisition.

(b) Resolution 5 – Directors' Fees
The Directors' Fees of RM96,000.00 is for services rendered by the directors concerned to the Company for the financial year ended 31 March 2016.

(c) **Resolution 6– Proposed Retention of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas as Independent Non-Executive Director**
Resolution 7 – Proposed Retention of Dato' Mohamed Salleh Bin Bajuri as Independent Non-Executive Director

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, shareholders' approval is sought for the ordinary resolution with regard to the retention of Independent Non-Executive Director of the Company, Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh Bin Bajuri who had served the Board for more than nine (9) years to continue serving as Independent Non-Executive Directors based on the following justification, after the Nomination Committee and the Board had assessed their independence:

(i) They fulfill the criteria and definition of an Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

(ii) They are familiar with the Company's business operations and provide unbiased views and impartiality to the Board's deliberations and decision making; and

(iii) They remain objective and independent of management and free from any business relationship in spite of their serving beyond nine (9) years on the Board.

STATEMENT ACCOMPANYING NOTICE OF 98TH ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The profiles of the Directors who are standing for re-election and re-appointment as per Agenda 2 ad 3 of the Notice of 98th AGM respectively are as follows:

	Resolution 1	**Resolution 2**
Name:	Dato' Mohamed Salleh Bin Bajuri	Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas
	Independent Non-Executive Director	Independent Non Executive Director
Nationality/Age:	Malaysian/65	Malaysian/72
Date of Appointment:	27 March 2001	19 October 1994
Academic Qualification:	Institute of Chartered Accountants of Ireland (Member)	University of Singapore – Honours Degree in Law
Present Directorships:	Listed Entities: • Eden Inc. Berhad • Harbour Link Group Berhad • SAM Engineering & Equipment (M) Bhd • Milux Corporation Bhd Other public company: • Nil	Listed Entities: • SEG International Bhd • Omesti Berhad • MajuPerak Holdings Berhad Other public companies: • Petroliam Nasional Berhad • Federation of Public Listed Companies Berhad • Malaysian Institute of Corporate Governance
Present Appointment(s):	• Trustee & Treasurer, Tan Sri Muhyiddin Charity Golf Foundation	• Corporate Debt Restructuring Committee (CDRC) of Bank Negara • National Economic Consultative Council 2 (NECC 2) • Capital Market Strategic Committee of Securities Commission • Trustee, Tan Sri Muhyiddin Charity Golf Foundation • Trustee, Mykasih (Charity) Foundation • Trustee, Vijayaratnam Foundation • Trustee, Quest International University Perak
Past Directorship and/ or Appointment:	• Manager, Maybank Finance Berhad (1979-1982) • General Manager, Maybank Finance Berhad (1982-1988) • General Manager, Malayan Banking Berhad (1988-1992) • Managing Director, JB Securities Sdn Bhd (1992-1995) • Alternate Chairman, Association of Finance Companies in Malaysia (1982-1987) • Chairman, AFCM Committees for Education and Public Relations (1982-1987) • Director, Saham Sabah Berhad (1997-1999) • Trustee, Tabung Anak-Anak Melayu Pontian (1995-2006) • Yayasan Kebajikan SDARA (1997-2002) • Chairman, Agro Bank Malaysia (2008-2010)	• Partner, Megat Najmuddin Leong & Co (1972 – 1986) • State Assemblyman of Kelana Jaya, Selangor (1986-1990 and 1990-1995) • Century Bond Berhad (2000-2006) • Seal Incorporated Berhad (2001-2003) • Dialog Group Berhad (2002-2010) • Salcon Berhad (2003-2010) • Chairman, Tradewinds Corporation Berhad (2002-2015)
Director's Interest	• 500,000 ordinary shares of RM0.20 each in Asian Pac Holdings Berhad	• Nil

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which they have personal interest. They do not have any convictions for offences within the past ten (10) years.

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PROXY FORM

98th Annual General Meeting

Number of shares held	
CDS Account No.	

ASIAN PAC HOLDINGS BERHAD (129-T)
(Incorporated in Malaysia)
Registered Office:
12th Floor, Menara SMI,
No. 6, Lorong P. Ramlee,
50250 Kuala Lumpur
Tel : 03-2786 3388
Fax: 03-2786 3386

I/We (Full Name) ______________________________ (NRIC No./ Co. No. ______________)

Tel No/Mobile No. ______________ of ______________________________

______________ being a member/members of ASIAN PAC HOLDINGS BERHAD (Co. No. 129-T) do hereby appoint :-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares:	%
Address			

and / or failing him/her

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares:	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Ninety-Eighth Annual General Meeting of the Company to be held at Bayan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 30 August 2016 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion.

No.	RESOLUTIONS	FOR	AGAINST
1	To re-elect Dato' Mohamed Salleh Bin Bajuri as Director		
2	To re-appoint Tan Sri Dato' Seri Hj Megat Najmuddin as Director		
3	To re-appoint Messrs. Ernst & Young as Auditors		
4	To authorise Directors to issue shares pursuant to S132D of the Companies Act, 1965		
5	To approve the payment of Directors' Fees		
6	To retain Tan Sri Dato' Seri Hj Megat Najmuddin as Independent Non-Executive Director		
7	To retain Dato' Mohamed Salleh Bin Bajuri as Independent Non-Executive Director		

Signed this ________ day of ____________________ 2016

____
Signature of Member

Notes:

1. **Members Entitled To Attend**
   In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 August 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 98th AGM or appoint proxy/proxies to attend and/or vote on his behalf.
2. **Appointment of Proxy**
   (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (but not more than two [2] proxies) to attend and vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
   (b) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
   (c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
   (d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
   (e) An instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or by his/her attorney and in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.
   (f) An instrument appointing a proxy must be deposited at the Registered Office of the Company at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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AFFIX
STAMP
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The Company Secretary
ASIAN PAC HOLDINGS BERHAD
(Company No. 129-T)

12th Floor, Menara SMI,
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