ANNUAL REPORT 2013

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

SUSTAINABLE GROWTH

ANNUAL REPORT 2013

CONTENTS

IMAGO: A WORLD CLASS SHOPPING EXPERIENCE

IMAGO

One of Malaysia's most well-known and fastest rising cities, Kota Kinabalu is historically famed as a centrepoint for robust economic growth and vast natural ambience. Now, an iconic landmark emerges in the heart of the city, positioned as the future of integrated development and lifestyle – KK Times Square sits at a perfect meeting point of two worlds – the river mouth of Sungai Sembulan facing the South China Sea, as well as on prime land within the upcoming Sadong Jaya development and close to Kota Kinabalu's financial, commercial and recreational hub.

Once completed, KK Times Square is set to offer an all-new extravaganza for shoppers everywhere. This arrives in the form of Imago – an internationally-acclaimed name that will also be Kota Kinabalu's first non-strata full-leased shopping mall. Boasting an impressive 800,000 square feet of podium retail space, Imago will house more than 300 retails, catering, lifestyle and entertainment outlets alongside a planned 36,000 square feet catering exclusively for all-day alfresco dining overlooking the magnificent South China Sea. For further lifestyle abundance, Imago also comes complete with a departmental store, a supermarket, a cinema and a food court.

THE LOFT: SEAMLESS SANCTUARY OF INTEGRATED LIFESTYLE IN KK

The Loft

THE FUTURE OF INTEGRATED CONDO LIVING IS HERE

Fashioned as an all-encompassing lifestyle address, The Loft stands proud as 5 blocks of 9-10 storey exclusive residences within the 15-acre KK Times Square. The 631 units of serviced residences are furnished with contemporary designs and comprehensive facilities such as gym, interactive playgound, infinity pool, clubhouse, and cycling paths.

The quality lifestyle concept is further enhanced with vast leisure and recreational areas for embracing personal space. Residents are gifted with a pristine 3-acre elevated Eco Deck – a lush natural space crated with landscaped water features, sculptured lawns and modern green features.

DATARAN LARKIN: MODERN AND CONTEMPORARY SHOP/OFFICE IN JOHOR BAHRU

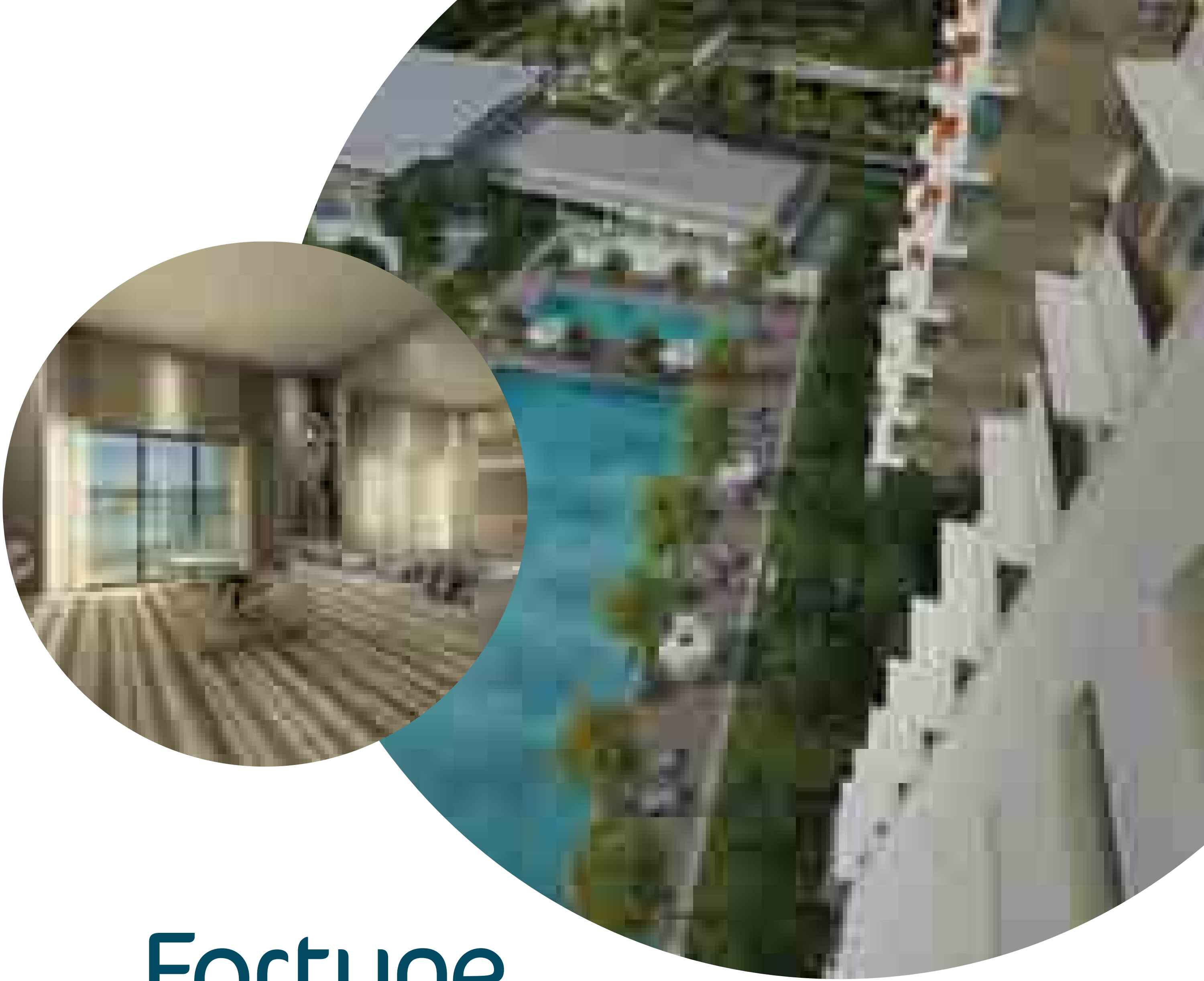
Get ready to take your business venture to new heights with Dataran Larkin, comprising 2 & 3 storey modern and contemporary showroom shop/office with excellent street frontage. Each unit features spacious layouts and frameless glass windows that allow products to be displayed in the most presentable and stylish manner.

Dataran Larkin, the first of its kind in Larkin's Commercial Zone. The new commercial development that sits on 11-acre of freehold land is developed in a very prime location as it is in Johor Bahru City and next to the largest transportation hub which is Larkin Bus and Taxi Terminal.

The construction works in progress of Dataran Larkin as at August 2013.



FORTUNE PERDANA: LAKESIDE RESIDENCES AT METROPOLITAN PARK



Fortune Perdana

LAKESIDE RESIDENCES @ METROPOLITAN PARK

greenbuildingindex
PROVISIONAL RATING "GOLD"

An iconic new addition to the Fortune developments, Fortune Perdana Lakeside Residences will be one of the Kepong's most eminent residential address. Comprising 3 blocks of serviced residences overlooking the lush of Kepong Metropolitan Park and bustling cityscape, Fortune Perdana is the ideal space to relish a taste of green paradise amid modern comforts.

Meticulously designed to incorporate the passions of both green and contemporary living, the Eco Deck is a unique 2-acre of facility deck at Level 5 with lush landscape, gardens, lush trees and playgrounds.

Surrounded by the dynamic urban infrastructure of Kepong, Fortune Perdana is located in close vicinity to reputable shopping malls, hypermarkets, retail outlets, F & B outlet, banks & school. It is strategically connected through a network of highways and abundant with public transportation.

Designed features with Green Building Index (GBI) "Gold" status certified for the residences with better usage of resources and environmental friendly design.

The project is set to be completed by 2nd half of 2016.

On behalf of the Board of Directors of Asian Pac Holdings Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2013

CHAIRMAN'S STATEMENT

PERFORMANCE REVIEW

The Group recorded a positive growth for the financial year ended 31 March 2013 with 16.5% increase in revenue from RM88.61 million in preceding financial year to RM103.24 million. The increase in revenue was mainly contributed by the property development activities located in Kota Kinabalu, Johor Bahru and Kuala Lumpur.

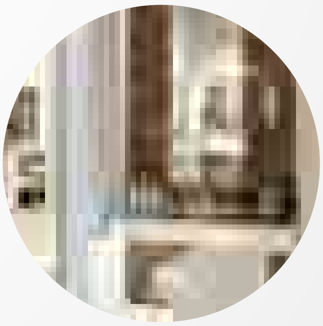
The Group's after-tax operating profit in the current financial year also improved by RM1.9 million, an increase of 12.2% from RM15.65 million to RM17.56 million mainly due to write back of deferred tax and utilization of tax losses and capital allowances. However, due to the disposal of land in the preceding financial year, the operating profit before tax of the Group for the current financial year was RM1.5 million lower.

REVENUE RM103.24M

OPERATION REVIEW

PROPERTY DEVELOPMENT

As in the previous financial years, the property development segment continued to be the main contributor to the Group's performance, contributing to more than 96% of the Group's revenue. In the current financial year, the property development division chalked up revenue of RM99.3 million against RM83.1 million in the preceding financial year.



We anticipate that the property development segment would continue to remain buoyant and contributing substantially to the Group's results for the next financial year until such times when the Imago Mall in Kota Kinabalu commences operations.

THE LOFT @ KKTS, KOTA KINABALU

The Loft is a development project undertaken by our wholly-owned subsidiary, Syarikat Kapasi Sdn Bhd. The Loft is fashioned as an all-encompassing lifestyle address and stands proud as 5 blocks of 9-10 storey exclusive residences within the 15-acre of mixed development land at KK Times Square. Residents are gifted with a 3-acre elevated Eco Deck with landscaped water features, pristine gardens, perfectly sculptured lawns and covered walkway to provide linked access within all 5 residential blocks, the Eco Deck and the Imago Mall. The Loft is poised to create a huge impact as a premier address for an integrated lifestyle experience.

The Loft, comprising 631 units of serviced residences has a Gross Development Value ("GDV") of approximately RM558 million. It is currently more than 75% sold with Loft A and Loft B completely sold out and the vacant possession is expected to be delivered by mid of 2014.

PROPERTY DEVELOPMENT

DATARAN LARKIN @ JOHOR BAHRU

Dataran Larkin is developed by another of our wholly-owned subsidiary, Changkat Fajar Sdn Bhd. Dataran Larkin consists of 2 phases of commercial development on a 11.68-acre prime freehold land in Johor Bharu. The 1st phase comprising 79 units of 2 and 3 storey shop/office was launched in April 2012 with a GDV of RM110 million. The construction work is currently at 35% and is expected to be completed by mid of 2014.

The 2nd phase of Dataran Larkin consists of 30 units of 3 storey shop/office and is expected to be launched in early 2014.

FORTUNE PERDANA @ LAKESIDE, KUALA LUMPUR

Fortune Perdana is developed by our wholly-owned subsidiary, BH Realty Sdn Bhd on a 6–acre prime land in Kepong Entrepreneurs' Park. It consists of 36 units of shop/office and 3 blocks of 576 serviced residences with a GDV of RM362 million.

This iconic development which is certified with a Green Building Index ("GBI") Gold Status is meticulously designed to incorporate the passions of both green and contemporary living where the 2-acre Eco Deck will feature the facility deck with lush landscape, gardens and playgrounds. The GBI will assure the residents that resources would be better utilized besides being eco friendly.

Fortune Perdana Lakeside Residences was officially launched on 12 May 2013 and was well received with sales reached 98% within two (2) months. The earthwork has commenced in May 2013 and the construction works is expected to complete in the 2nd half of 2016.

The Group is also planning for another mixed development project in Kepong Entrepreneurs' Park (Parcel B3) consisting 40 shops and 420 serviced residences and is planned for launch in the next financial year.

PROPERTY
INVESTMENT

PROPERTY INVESTMENT

Our efforts in building up our Property Investment segment are showing results with the construction works at KK Times Square nearing its final stage of completion. KK Times Square situated beside the renowned Sutera Harbour Marina Golf and Country Club and 5 minutes away from the Kota Kinabalu International Airport is centrally located and well-linked to the city centre via an excellent network of roads and a newly constructed 6-lane bridge.

The mall known as Imago @ KK Times Square will be Kota Kinabalu's first non-strata full-leased shopping mall with an impressive 800,000 square feet of podium retail space. Imago will house more than 300 retails, catering, lifestyles and entertainment outlets with a departmental store, a supermarket, a cinema and a food court.

These strong strides will boost our Property Investment segment's results commencing from financial year ending 31 March 2015. In the financial year under review, the Property Investment segment's revenue increased by 6.5% from RM1.08 million to RM1.15 million, derived mainly from the leasing of a 6-acre land in Kepong Entrepreneurs' Park and renting out of office premises.

CAR PARK OPERATIONS

The car park operations continues to show commendable performance with revenue in the current financial year charting an increase from RM2.18 million to RM2.47 million, representing 13.3% improvement. It also contributed 14.2% to the Group's pre-tax profit in the current financial year.

Our on-going drive to expand our income stream to improve the Group's businesses are showing results with the addition of another 2,100 car park bays to our existing stock of 1,323 car park bays upon completion of KK Times Square 2. Moving forward, we anticipate the contribution from the car park division will be on an uptrend in the future.

CORPORATE DEVELOPMENT

Our on-going efforts to increase our development land banks to the Group's stock had yielded a positive result with the completion of the acquisition of 90% equity interest in Prousaha (M) Sdn Bhd ("PMSB") on 26 March 2013 for a total consideration of RM4.5 million. PMSB holds a piece of 6-acre development land known as H.S. (D) 153647, PT 43498 in Mukim Sungai Buloh, Petaling, Selangor (Damansara Damai). Currently, development plans are underway for a proposed residential development.

CORPORATE RESPONSIBILITY ("CR")

Our social responsibility is reflected by the numerous actions we have taken to support community, safety, education and the environment to bring long term benefits to our stakeholders. Continue action plans are being adopted and roll-out in the form of building environment friendly end products and infrastructures that serve the surrounding community, contribution to the authorities and social organizations to benefit the less fortunate and support the sports activities for the young and talented.

The Group places great importance in developing its work force by providing continuing education and training to all the employees for them to enhance their knowledge and keep abreast in the current development in their respective discipline.

Safety at workplace is also of paramount importance to the Group. A safety officer is appointed at each project site and regular meetings were held to promote safe work practices, discuss safety issues and to implement recommendations from the management. All the project sites are also equipped with the personal protection equipments for the employees, consultants and authorities to use when entering the project site.

CORPORATE RESPONSIBILITY

A social club was set-up to organize social activities for the employees to interact for team building purposes. In addition, an annual trip is also organised for the employees as a form of reward for their dedication and hard work throughout the year.

PROSPECTS

The world economy is affected by the protracted financial crisis in the Eurozone, the USA economy continued to be stalled with huge deficit and most of the Middle Eastern countries' economy are slowed with on-going unrest.

We believe the longer term view of the property market in Malaysia will remain bullish due to the implementation of the Economic Transformation Plan such as the Mass Rapid Transit, the Tun Razak Exchange, the developments in the Iskandar Region and the East Coast Economic Region. These mega projects will have a positive impact to the property market and the Malaysian economy in general. Taking into account the weak external sector but resilient domestic economy, the Malaysia's economy is expected to sustain at above 5% for 2013.

However, we remain cautious due to the effects of the tightening lending measures, increase in the Real Property Gain Tax and the impending implementation of the Goods and Service Tax on the Malaysia's property market.

Going forward, we have set our sights for a growth path with long term potential in both the Property Development and Investment segments and to a smaller extend in the car park operations. We will explore opportunities in strategic areas that could expand our businesses, provide sustainable growth and deliver value creation to our shareholders.

We are confident of a better performance in the next financial year due to the high locked-in sales for our products and the expected launches for Dataran Larkin II and Parcel B3 at Kepong Entrepreneurs' Park.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the financial year ended 31 March 2013.

APPRECIATION

It gives me great pleasure to extend a warm welcome to Mr. Yu Tat Loong, who was appointed to the Board as executive director on 28 May 2013.

On behalf of the Board of Directors, I would like to express our appreciation to all our business partners, including bankers and financiers, purchasers, contractors, suppliers and all government authorities for your support and trust in the Group.

To the management and staff for their loyalty, commitment and dedication given to the Group, I wish to record my sincere gratitude. To my fellow directors, thank you all for your wise counsel, guidance and support.

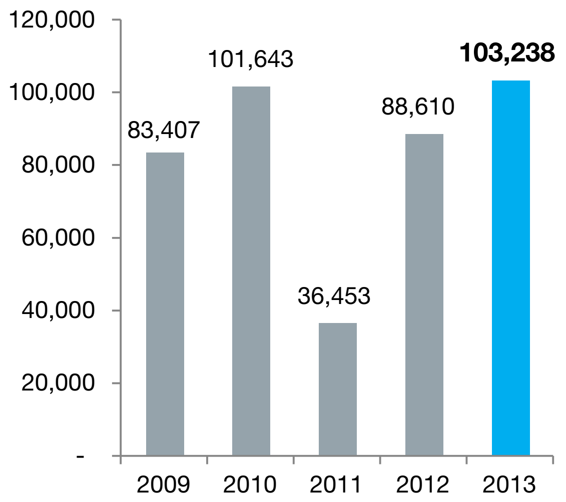
Above all, we thank our shareholders for your trust and continued support throughout the years.

TAN SRI DATO' SERI HJ MEGAT NAJMUDDIN BIN DATUK SERI DR HJ MEGAT KHAS
Chairman
23 August 2013

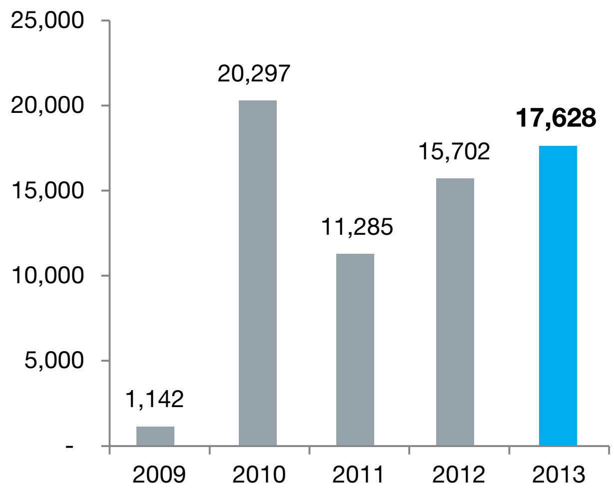
5 YEAR GROUP FINANCIAL HIGHLIGHTS

	Financial Years Ended 31 March				
	2009	2010	2011	2012	2013
Revenue (RM'000)	83,407	101,643	36,453	88,610	103,238
Net Profit Attributable to Equity Holders (RM'000)	1,142	20,297	11,285	15,702	17,628
Earning Per Share (Sen)	0.1	2.1	1.2	1.6	1.8
Net Assets Per Share (Sen)	28.3	30.3	31.9	33.2	35.0

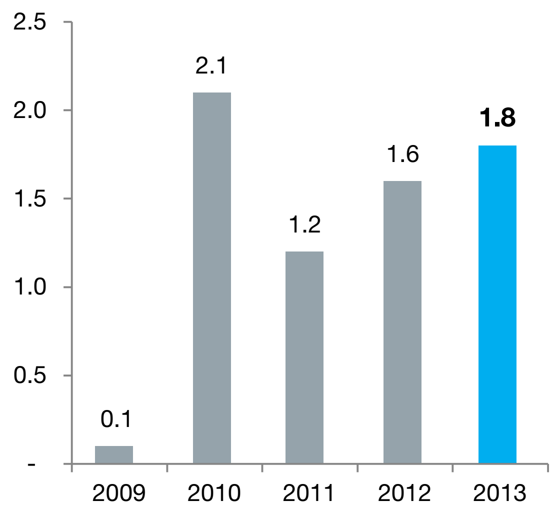
REVENUE (RM'000)



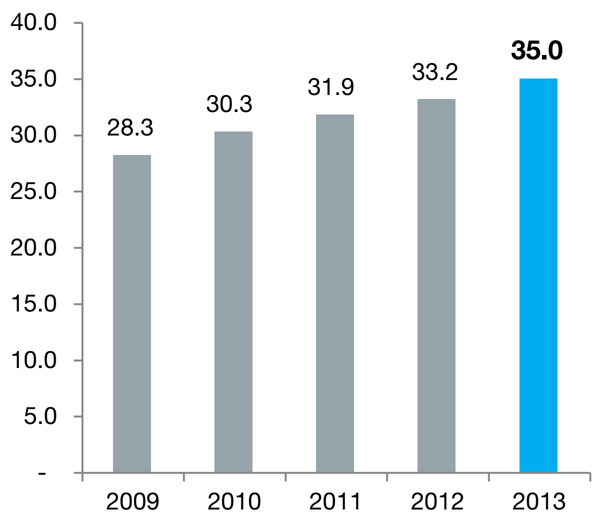
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS (RM'000)



EARNINGS PER SHARE (SEN)



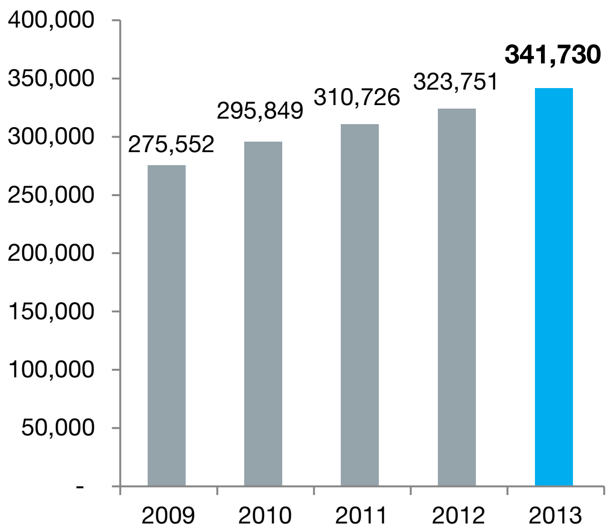
NET ASSETS PER SHARE (SEN)



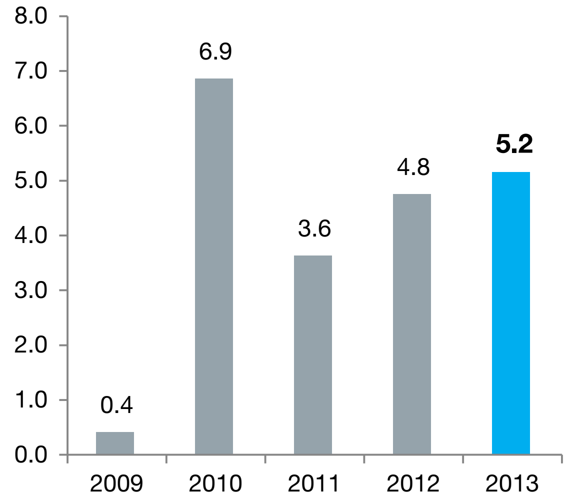
5 YEAR GROUP FINANCIAL HIGHLIGHTS

	Financial Years Ended 31 March				
	2009	2010	2011	2012	2013
Shareholders' Equity (RM'000)	275,552	295,849	310,726	323,751	341,730
Return on Equity (%)	0.4	6.9	3.6	4.8	5.2
Net debt (RM'000) (Note 36, Page 114)	157,530	99,295	109,961	139,489	334,011
Gearing Ratio (%) (Note 36, Page 114)	36	25	26	30	49

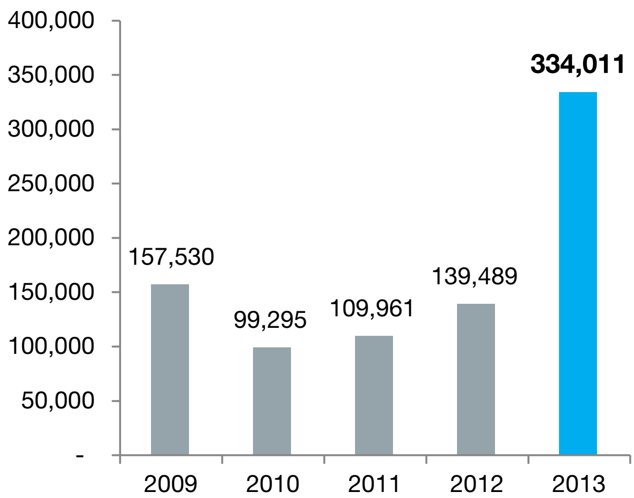
SHAREHOLDERS' EQUITY (RM'000)



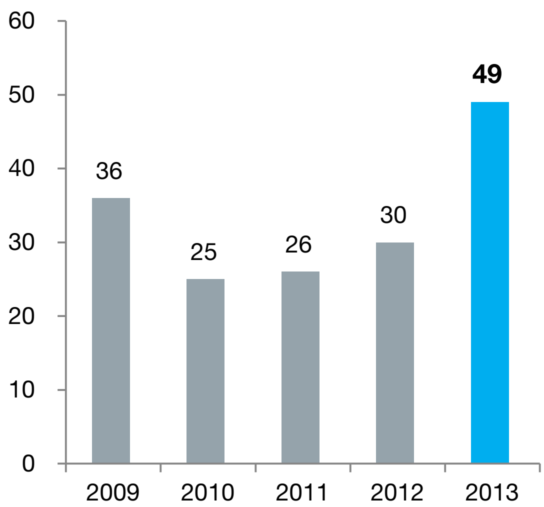
RETURN ON EQUITY (%)



NET DEBT (RM'000)



GEARING RATIO (%)



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
Mr 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
(MAICSA 7051036)

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 KUALA LUMPUR
Tel No: 03-2264 3883
Fax No: 03-2282 1886

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 Susan Yap Chui Suan
Ms Chan Yoon Mun

REGISTERED OFFICE

12th Floor, Menara SMI
No. 6, Lorong P. Ramlee
50250 Kuala Lumpur
Tel No: 03-2078 1207
Fax No: 03-2070 4818
Website: www.asianpac.com.my

AUDITORS

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

PRINCIPAL BANKERS

Affin Investment Bank Berhad
Alliance Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad




TAN SRI DATO' SERI HJ MEGAT NAJMUDDIN BIN DATUK SERI DR HJ MEGAT KHAS

MALAYSIAN, AGED 69

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 now sits on UMNO Malaysia's Disciplinary Committee and is an Adjunct Professor at Faculty of Law, University Utara Malaysia. He is currently made a member of the Advisory Board of the Malaysian Anti-Corruption Commission (MACC) and Bank Negara Malaysia's Financial Directors' Education Steering Committee (FIDE).

Tan Sri Dato' Seri Hj Megat Najmuddin also holds directorships in SEG International Bhd (Chairman), Formis Resources Berhad (Chairman), Tradewinds Corporation 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 2013. He has direct shareholdings of 1,857,000 ordinary shares of RM0.20 each in the Company.

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 10 years.

DATO' MUSTAPHA BIN BUANG

MALAYSIAN, AGED 65

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 experience in the finance sector. Besides he holds directorships in several private limited companies, he also acts as Deputy President of Tan Sri Muhyiddin Charity Golf since 2006, Board of Trustee of Tan Sri Muhyiddin Charity Golf Foundation since 2010 and Trustee/Board of Yayasan Nurul Yayasan since January 2005.

Dato' Mustapha attended all the 5 board meetings which were held in the financial year ended 31 March 2013. He has direct and indirect shareholding of 32,850,985 and 800,000 ordinary shares of RM0.20 each in the Company respectively.

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 10 years.

DATO' MOHAMED SALLEH BIN BAJURI

MALAYSIAN, AGED 62

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.

He started his career in Malaysia in 1978 with Peat Marwick & Co. as Senior Audit. In 1979, he joined Mayban Finance Berhad as Manager and was subsequently promoted to General Manager in 1982. He was then promoted to General Manager of Malayan Banking Berhad in 1988 and served in this position until 1992. In 1992, Dato' Salleh served as the Managing Director of JB Securities Sdn Bhd, a stockbroking firm which he was a founder member. After selling his equity stake in the said stockbroking firm in 1995, he joined CRSC Holdings Berhad as an Executive Director. CRSC is principally engaged in property development and property management. Presently, he holds the position of Deputy Chairman of CRSC Group of Companies.

Between 1982 and 1987, he was Alternate Chairman of the Association of Finance Companies in Malaysia (AFCM) and was Chairman of the AFCM Committees for Education and Public Relations. He has also served as a Director in Saham Sabah Berhad from 1997 to 1999. He was a trustee for Tabung Anak-Anak Melayu Pontian from 1995 to 2006 and Yayasan Kebajikan SDARA from 1997 to 2002. He was a Chairman of Agro Bank Malaysia (formerly known as Bank Pertanian Malaysia Berhad) from 2008 until June 2010. Dato' Salleh has been the Treasurer at Tan Sri Muhyiddin Charity Golf since 2007.

Dato' Salleh is presently 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 2013. He does not hold any shares in the Company, but participated in the Employees' Share Option Scheme.

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 10 years.

TAN SIEW POH

MALAYSIAN, AGED 50

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 2013. She had direct shareholdings of 850,436 ordinary shares of RM0.20 each in the Company.

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 10 years.

YU TAT LOONG

MALAYSIAN, AGED 37

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

Mr 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 USD600 million.

Mr Yu did not attend any board meetings held in the financial year ended 31 March 2013 as he joined the Company after this financial year. He does not hold any shares in the Company.

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 10 years.

The Malaysian Code on Corporate Governance 2012 ("the Code") sets out the broad principles and specific recommendations on structure and processes that companies should or are encouraged to adopt in making good corporate governance an integral part of their business dealings and culture.

The Board of Directors believes that good corporate governance is the key to the improved long-term performance of the Group and that a sound governance structure is fundamental to safeguard the interests of all its stakeholders.

The statement below sets out how the Group has applied the principles and the extent of its compliance with the recommendations of good governance throughout the financial year ended 31 March 2013.

1. THE DIRECTORS

1.1 Board Composition and Balance

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 Directors have the necessary mix of skills and experience ranging from business, finance, legal, property development and corporate to general disciplines in managing the Group's business. Brief profile of each Director is presented from pages 17 to 19 of this Annual Report.

The current composition is well balanced and caters effectively to the scope and the Group's operations. The Managing Director and Executive Director have the overall responsibility to oversee the operations and affairs of the Group, providing leadership, strategic vision and meeting immediate performance targets without neglecting long-term growth opportunities of the Group; whilst the role of Independent Non-Executive Directors are bringing independent judgement and ensuring all issues proposed by the Management are fully discussed and examined to take into account the long term interests, to the shareholders as well as the stakeholders such as the employees, customers and business associates. The Chairman being an Independent Non-Executive Director of the Company also provides a clear division of responsibility between the Chairman and the Managing and/or Executive Directors to ensure a balance of power and authority.

1.2 Board Assessment of its Independence Directors

The Code requires an Independent Director who has served the Board for a period of nine (9) years cumulatively to be re-designated as a Non-Independent Director. However, subject to the assessment of the Nomination Committee and shareholders' approval at a general meeting, the Independent Director may remain as Independent Director after serving in that capacity for more than nine (9) years.

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 as Independent Non-Executive Directors, will continue to serve the Board until the conclusion of the 95th Annual General Meeting on 25 September 2013. The Board/Nomination Committee has conducted an assessment of the independence of both Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh Bin Bajuri based on the following criteria:

(i) They have confirmed and declared that they are independent directors as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

(ii) They do not have conflict of interest with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;

(iii) They are currently not sitting on the board of any other public and/or private companies that have transactions with the Company and its subsidiary companies; and

(iv) The Board is of the opinion that they are important independent directors of the Board in view of their many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and have provided invaluable contributions to the Board in their role as independent directors during their tenure.

and has recommended to the shareholders for their approval that they be retained as Independent Non-Executive Directors of the Company.

1.3 Board Responsibilities

The Board's main duties include regular oversight of the Group's business operations and financial performance, ensure that the infrastructure, internal controls, and risk management processes are firmly in place, assess and manage business risks, inter-alia, operational, credit, market and liquidity risks. The Board is also to approve annual operating budget, major capital expenditures, material acquisitions and disposal of assets.

1.4 Board Meetings

The Board meets once every quarter to review the Group's annual and quarterly financial reports and performance, approving strategic business plans, operational and development of the Group. Additional meetings will be held as and when the need arises.

Board Meetings are governed by a structured formal agenda and the agenda for each Board Meeting and papers relating to the agenda for each Board Meeting and papers together with the supporting documents relating to the agenda items are forwarded to all Directors for their perusal in advance of the date of the Board Meeting.

During the financial year ended 31 March 2013, a total of five (5) Board Meetings were held. The Board recorded its deliberations in terms of matters discussed and all proceedings at the Board Meetings were minuted and confirmed by the Chairman of the meeting. Directors were also informed of restriction period in dealing with the securities of the Company at least one month prior to the release of the quarterly financial announcement.

The attendances of the Directors at Board Meetings held during the financial year are as follows:-

Name of Directors	Number of Meetings Attended/Held
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	5/5
Dato' Mustapha Bin Buang	5/5
Dato' Mohamed Salleh Bin Bajuri	5/5
Tan Siew Poh	5/5
Yu Tat Loong (appointed on 28 May 2013)	-

1.5 Board Committees

The Board has delegated specific responsibilities to the following committees to assist in the discharge of its duties and responsibilities. Each of the following Committees operates under clearly defined terms of reference and the Chairman of the respective Committees reports to the Board on the outcome of the Committee Meetings:

- **Audit and Risk Management Committee**
  The Composition and Terms of Reference of the Audit and Risk Management Committee together with its report is presented from pages 27 to 30.

- **Nomination Committee**
  The Nomination Committee comprises exclusively Non-Executive Directors in accordance with the Code.

  The Nomination Committee is empowered to bring to the Board recommendations as to the appointment of any new executive or non-executive director, provided that the Chairman of the Nomination Committee, in developing such recommendations, consults all directors and reflects that the recommendation made by the Nomination Committee to the Board.

- **Remuneration Committee**
  The Remuneration Committee is responsible for developing the remuneration framework and remuneration packages of the Executive Directors and recommending the same to the Board for approval.

- **Employees' Share Option Scheme Committee**
  The Employees' Share Option Scheme Committee ("ESOS Committee) is primarily to administer the Employees' Share Option Scheme in accordance with the scheme's objectives, By-Laws and guidelines affecting the scheme. The ESOS Committee meets as and when required.

  However, the ultimate responsibility for the final decision on all matters lies with the entire Board.

1.6 Supply of Information

The Directors are provided with timely and relevant information to discharge their duties and responsibilities, which include, amongst other, quarterly and annual financial statements, board papers recommending business and operational decisions, corporate and business development plans, status reports, minutes of meetings and reports/opinions from independent advisors.

All Directors have access to the information from the Group's senior management and the Company Secretaries' advices and services. If required, the Directors, whether as a full Board or in their individual capacity may take independent professional advice in the furtherance of their duties at the Company's expense.

1.7 Appointments to the Board

The Nomination Committee is responsible for assessing and making recommendations on any new appointments to the Board for deliberation. In making these recommendations, due consideration is given in the required mix of skills, expertise, knowledge and experience that the proposed directors shall bring to complement the Board.

The Board, through the Nomination Committee, assesses the effectiveness of the Board as a whole, the committees of the Board and the contributions of each Director on an ongoing basis. The Board is also annually reviewed by the Nomination Committee for the required mix of skills, experiences and other qualities including core competencies.

1.8 Re-election

The Articles of Association of the Company provide that at every annual general meeting of the Company, one-third of Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election. The Articles further provide that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

1.9 Directors' Training

All members of the Board except Mr. Yu Tat Loong, a newly appointed director, have attended Mandatory Accreditation Program prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, the Directors attended training programmes, conferences and seminars to keep abreast with relevant developments in the business environment as well as new regulatory requirements on a continuous basis in compliance with the Paragraph 15.08 of the Main Market Listing Requirements of Bursa Securities.

The Directors having during the financial year ended 31 March 2013, attended the trainings covered a range of topics which provided the Directors with updates on business trends and management, risk management, corporate governance, financial and audit. These trainings are regarded as appropriate in providing the Directors with continuous education and enhancement of their knowledge and skill in discharging of their responsibilities as directors of the Company. Among the programmes attended were:

- MTU (M) Services Sdn Bhd – What Directors & Senior Management Should Know
- World Oil & Gas Conference
- Persidangan SSM "Management of Corporate Governance, Creating Value, Transforming Economy"
- Value Management Conference
- Malaysian Oil & Gas Services Conference
- Human Resources Conference – Performance And Rewards
- Biomass Seminar
- Seminar on Regulatory Updates, Governance And Current Issues For Directors on PLC's 2012
- Conference on "Enhancing Organisational Sustainability Through Effective Leadership"
- Personal Data Protection Conference
- Dialog Antara Ahli Lembaga Pengiktirafan Pegawai Integriti LPIIN & CEIO
- COSEC Conference
- National Ent Risk Management Conference For Public and Private Sector
- MICG Director Duties Seminar
- Sesi Perbincangan Dengan Pasukan Penilaian UNCAC
- Directors Remuneration Seminar 2013 – The Best Practices
- AWS Corporate Governance Conference
- 3rd APAC Pricing Strategy Forum : Smart Profit Growth
- Managing Corporate Risk And Achieving Internal Control Through Statutory Compliance
- Directors' Training Workshop : Meeting Bursa's Financial Reporting Timelines
- Board's Role in Governance & Audit Committee Oversight Responsibilities – Passion Beyond Numbers

- The Implications And Challenges to Public Listed Companies
- Seminar on Regulatory Updates, Governance And Current Issues For Directors of PLCs and Body Corporate 2012
- Directors Duties, Regulatory Updates and Governance Seminar For Directors of PLCs 2013

2. DIRECTORS' REMUNERATION

2.1 Remuneration Policy and Procedure

The Remuneration Committee reviews the annual salaries, incentive programmes, service arrangements and other employment conditions for the Executive Directors. They shall ensure that the Company's Directors are fairly rewarded for their individual contributions to the Company's overall performance and the levels of remuneration shall be sufficient to attract and retain Directors to run the Company and Group successfully.

During the financial year, the remuneration package for the Managing Director and Executive Director were recommended by the Remuneration Committee and approved by the Board with the individual director affected not involved in the approval of their own packages; whilst the directors' fees are recommended by the Board for approval of the shareholders at the Annual General Meeting.

Details of Remuneration
The details of the remuneration of the Directors of the Company for the financial year ended 31 March 2013 are disclosed under Note 22 on page 100 of this Report.

3. SHAREHOLDERS

3.1 Dialogue between Company and Investors

Shareholders and investors are kept informed of all major developments within the Group by way of announcements via the Bursa Malaysia Link, the Company's annual report, website and other circulars to shareholders. The principle forum for dialogue with shareholders is during the Annual General Meetings.

At each Annual General Meeting, the Board presents the progress and performance of the business and encourages shareholders to participate in a question and answer session. Directors are available to respond to shareholders' questions during the meeting. Extraordinary General Meetings are held as and when required.

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 as follows:-

Asian Pac Holdings Berhad
Senior Independent Non-Executive Director
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas
12th Floor, Menara SMI
No. 6, Lorong P. Ramlee
50250 Kuala Lumpur
Tel No: 03-20781207
Fax No: 03-20704818

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

For financial reporting through quarterly reports to the Bursa Securities and the annual report to shareholders, the Directors have a responsibility to present a fair statement of the Group's position and prospect. The Audit and Risk Management Committee assists the Board in reviewing information for disclosure to ensure accuracy, adequacy and completeness. The Statement by Directors pursuant to Section 169(15) of the Companies Act 1965 is set out on page 38 of this Report.

4.2 Statement on Directors' Responsibility for Preparing Financial Statements

The Directors are required by the Companies Act 1965 to prepare financial statements for each financial year which have been made out in accordance with applicable financial reporting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:
- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that all applicable accounting standards have been followed; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enables them to ensure the financial statements comply with the Companies Act 1965 and the Listing Requirements of Bursa Securities.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

4.3 Internal Control

Information on the Group's Internal Control is presented in the Statement on Risk Management and Internal Control laid out on page 31 to 32 of this Report.

4.4 Relationship with Auditors

The role of the Audit Committee in relation to external auditors may be found in the Audit and Risk Management Committee Report. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

ADDITIONAL COMPLIANCE INFORMATION

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

Options, Warrants or Convertible Securities Exercised
There were no options exercised by the Eligible Employees during the financial year.

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 2013.

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 2013.

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.

This statement is reviewed and approved by the Board of Directors in the meeting held on 24 July 2013.

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit Committee during the financial year under review were:-

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

TERMS OF REFERENCE

1) **Composition of Audit and Risk Management Committee ("the Committee")**

The Committee shall be appointed by the Directors from among its members which fulfils the following requirements:-

a) the Committee must be composed of no fewer than 3 members;
b) all of the Committee must be non-executive directors with a majority of them being independent directors;
c) no alternate director of the Board shall be appointed as member of the Committee; and
d) at least one member of the Audit Committee:-
   (i) must be a member of the Malaysian Institute of Accountants; or
   (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
      (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
      (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
      (cc) fulfils such other requirements as prescribed or approved by the Exchange.

The Committee shall elect a chairman from among its members who shall be an independent director.

In the event that a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of three (3) members.

2) **Meetings**

The Committee shall meet at least four times a year.

The Chairman shall convene a meeting of the Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee.

3) **Secretary to the Committee**

The Company Secretary shall be the secretary of the Committee.

4) **Quorum**

A quorum shall consist of a majority of members who are independent directors.

5) Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorized by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is authorized to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Company whenever deemed necessary.

6) Duties and Responsibilities

The duties and responsibilities of the Committee shall be:-

i) 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;
- significant issues arising from the audit;
- significant and unusual events;
- major judgemental areas.

ii) To review with the external auditors on the following:-
- their audit plan;
- their evaluation of the system of internal controls;
- their audit report;
- problems and reservations arising from their interim and final audits;
- the assistance given by the employees of the Company and the Group to the external auditors; and
- the audit fees and on matters concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as auditors.

iii) 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; and
- internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings.

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

- Statement on Risk Management and Internal Control;
- Overall risk management system;
- Key risks and their management;
- 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;
- Risk management responsibilities through identifying, measuring, managing, reporting and monitoring all categories of business risk across the Group.

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

vi) To assess the adequacy and effectiveness of the systems of internal control and accounting control procedures of the Company and the Group by reviewing the external auditors' management letters and management response.

vii) To undertake such other responsibilities as may be agreed to by the Committee and the Board.

viii) To report to the Board its activities, significant results and findings.

ix) 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.

ATTENDANCE OF MEETINGS

The Committee held five (5) meetings during the financial year. The following is the number of meetings attended by each member:-

Name of Committee members	Number of meetings attended
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	5/5
Dato' Mohamed Salleh Bin Bajuri	5/5
Ms Tan Siew Poh	5/5

The Executive Directors and Head of Finance Department were invited for each Audit Committee meetings. Other senior management would also be invited to attend whenever deemed necessary. The external auditors were invited to attend two (2) of these meetings of which one (1) of these meetings was to raise areas of concern and matter related to audit and interim review without the presence of management.

SUMMARY OF ACTIVITIES

Pursuant to the terms of reference of the Audit and Risk Management Committee, the following activities were carried out by the Audit and Risk Management Committee during the financial year ended 31 March 2013 in discharge of its duties and responsibilities:-

i) Reviewed the internal audit charter and the adequacy and relevance of the scope, functions, resources, internal audit plan and results of the internal audit processes with the Internal Audit Department; and that it has the necessary authority to carry out its work;

ii) Reviewed with the external auditors, their audit plan (including system evaluations, audit fees, issues raised and management's responses) prior to the commencement of the annual audit;

iii) Reviewed the unaudited quarterly results and annual audited financial statements with the management and made recommendations thereon to the Board for approval;

iv) Reviewed the financial statements, the audit report, issues arising from audits and the management letter with the external auditors;

v) Reviewed the Statement on Risk Management and Internal Control for publication in the Company's annual report;

vi) Reviewed the Internal Audit reports on finding and recommendations and management's response thereto to ensure adequate remedial actions have been taken; and

vii) Reviewed and verified the auditors' remuneration to ensure its adequateness and fairness.

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

During the financial year under review, there was no allocation of option under ESOS of the Company.

INTERNAL AUDIT FUNCTION/ACTIVITIES

The Internal Audit Department of the Group was established to assist the Board of Directors and the Audit and Risk Management Committee in discharging their duties and responsibilities. The Department undertakes its functions based on the annual internal audit plan that is reviewed and approved by the Audit and Risk Management Committee, and it is committed to provide independence assurance on effectiveness and adequacy of the system of internal control.

A risk-based approach is adopted to prioritize the Department's efforts to the critical business risk areas within the Group. These are designed to evaluate and enhance risk management, internal control and governance processes to assist management in achieving business objectives.

During the financial year, audit assignments covering financial, operational and Risk Management compliance audits were carried out in accordance with the annual internal audit plan approved by the Audit and Risk Management Committee. The resulting reports of the audit undertaken were presented to the Audit and Risk Management Committee and forwarded to the management for attention and necessary actions. The Internal Audit Department set up a monitoring process to determine the extent to which its recommendation has been implemented and report to the Audit and Risk Management Committee on a quarterly basis.

The Company's internal audit function is performed in-house. The total internal audit costs incurred for internal audit function were RM133, 284 (RM95, 034 in FYE 2012) during the financial year.

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement outlining the nature and internal control of the Group during the financial year ended 31 March 2013. This statement has been prepared by taking into account the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") and Paragraph 15.26(b) of the Main Market Listing Requirements.

BOARD RESPONSIBILITY

The Board is responsible for the Group's internal control and risk management system to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and effectiveness of the said system.

With the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives. The system can therefore only provide reasonable, but not absolute assurance, against material misstatement, loss or fraud.

The Board confirms that there is an on-going process for identifying, evaluating and managing the significant risk it faces. This process has been in place for the financial year under review and up to the date of approval of this statement.

RISK MANAGEMENT

The Group has a structured risk management framework, a risk management assessment process to identify significant risks, and the mitigating measures thereof. The Board is assisted by the Audit and Risk Management Committee ("ARMC"), to implement the risk management policy on existing established structures and mechanism. The ARMC is responsible for providing reasonable assurance to the Board that the risks it faced are being effectively addressed by the assistance of Risk Management Working Committee ("RMWC"). The RMWC comprised heads of business units is entrusted with the responsibility of ensuring that an appropriate risk management framework exists within the Group and effectively manage the key risk of the Group.

INTERNAL AUDIT FUNCTION

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

(a) *Limits of authority and responsibility*

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant charters/terms of reference, organisational structures and appropriate authority limits.

(b) *Written policies and procedures*

Clearly defined internal policies and procedures as set out in the Group's Standard Operating Procedures Manual are regularly updated to reflect changing risks or to address operational deficiencies.

(c) *Planning, monitoring and reporting*

- The adequacy of the Group's internal controls is based on the components of the Group's Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control Integrated Framework.

- The Audit and Risk Management Committee reviews the effectiveness and efficiency of the internal control system on a quarterly basis, which is subsequently reported to the Board.

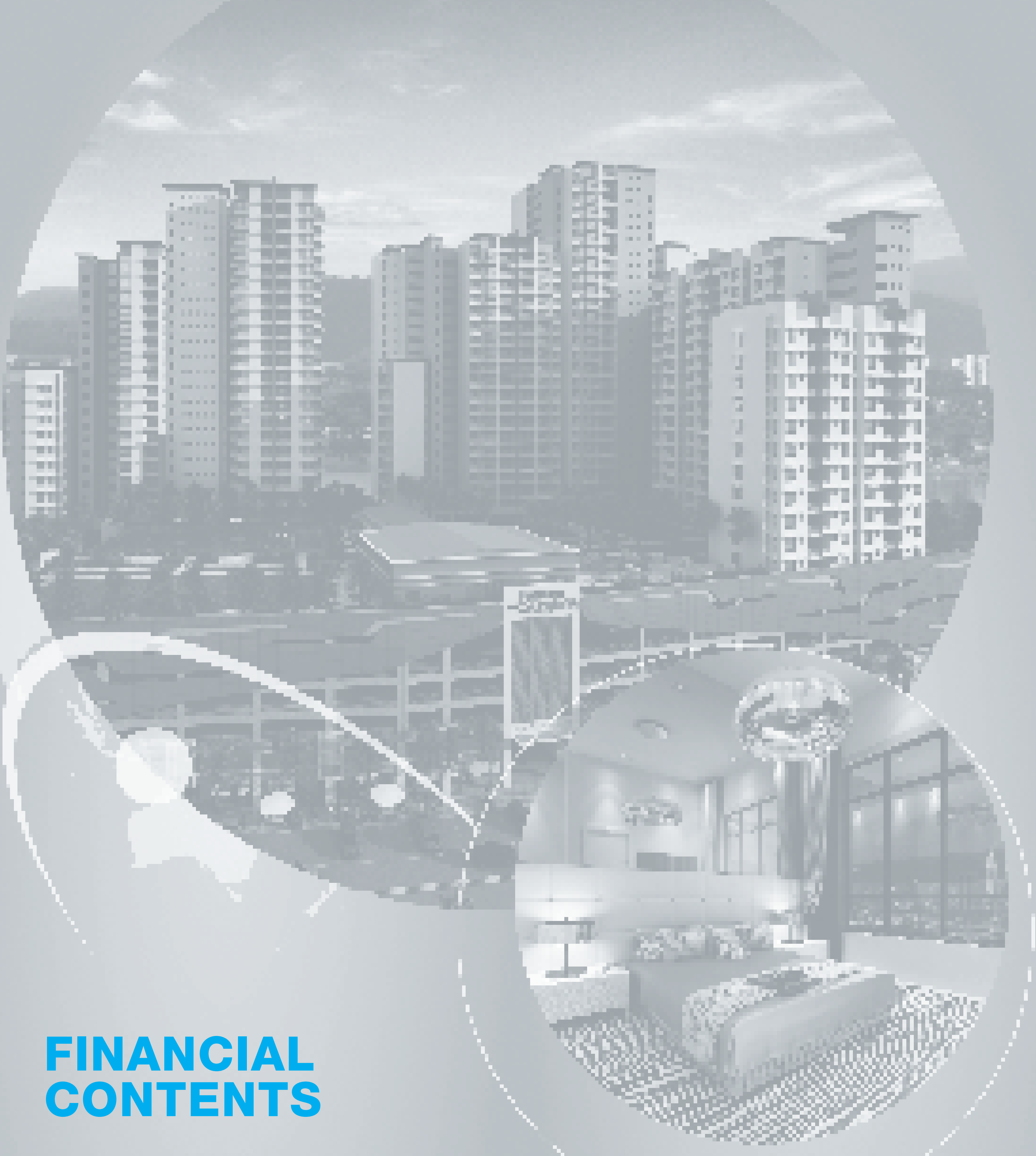
- Comprehensive information, which includes the monthly management reports covering all key financial and operational indicators, is provided to Senior Management for the monitoring of performance against strategic plan; and

- Written declaration by all employees confirming their compliance with the Group's Business Code of Conduct and Ethics is in place to support the business objectives.

CONCLUSION

The Board is pleased that it has received the assurance from the Managing Director, Executive Director and the Group Accountant that the risk management and internal control system in place for the financial year under review, and up to the date of approval of this statement, is satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control system in meeting the Group's strategic objectives.

This statement is reviewed and approved by the Board of Directors in the meeting dated 24 July 2013 and had been reviewed by the external auditors.



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 2013.

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 Note 7 and Note 8 to the financial statements respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	17,560	20,393
Attributable to:		
Owners of the parent	17,628	20,393
Non-controlling interests	(68)	-
	17,560	20,393

There were no material transfers 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 other than as disclosed in the notes to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

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

DIRECTORS

The name of 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 (appointed on 28 May 2013)

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 the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Option Scheme as disclosed in Note 14 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 full time employees of the Company and related corporations as shown in Notes 22 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 of the Company during the financial year are as follows:

	<---- Number of ordinary shares of RM0.20 each ---->			
	1 April 2012	**Acquired**	**Sold**	**31 March 2013**
Direct interest:				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	1,857,000	-	-	1,857,000
Dato' Mustapha bin Buang	32,850,985	-	-	32,850,985
Tan Siew Poh	850,436	-	-	850,436
Indirect interest:				
Dato' Mustapha bin Buang	800,000	-	-	800,000

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 comprises 1 director, Dato' Mustapha bin Buang.

The salient features and other terms of the ESOS are disclosed in Note 14 to the financial statements.

The tenure of the ESOS expired on 30 May 2011 and was extended for another 5 years to mature on 12 April 2016. All options granted in prior years expired on 30 May 2011 and there were no options granted during the year.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, income statements and statements of 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 all known bad debts had been written off and that adequate allowance for doubtful debts had been made; 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) the amount written off for bad debts or the amount of the allowance for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and

(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 AND SUBSEQUENT EVENT

The significant and subsequent event is as disclosed in Note 31 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 24 July 2013.

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 41 to 118 are drawn up in accordance with Financial Reporting Standards and 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 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 on page 118 to the financial statements 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 24 July 2013.

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, Liew Yin Yee, 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 41 to 118 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 Liew Yin Yee at Kuala Lumpur
in the Federal Territory on 24 July 2013

Liew Yin Yee

Before me,

No: B362
Raymond Cha Kar Siang
Commissioner for Oaths

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 2013 of the Group and of the Company, and the income statements, statements of 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 41 to 118.

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 are 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 amount 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 control relevant to the entity's preparation of 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 control. 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 2013 and of their financial performance and cash flows for the year ended in accordance with Financial Reporting Standards and the requirements of Companies Act,1965.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) 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.

(d) 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 on page 118 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

Lee Seng Huat
No. 2518/12/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
24 July 2013

	Note	Group 2013 RM'000	Group 2012 RM'000 (Restated)	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Assets					
Non-current assets					
Property, plant and equipment	3	33,665	34,229	48	179
Land held for property development	4(a)	71,998	54,000	-	-
Investment properties	5	352,448	217,949	-	-
Intangible asset	6	21,453	23,174	-	-
Investments in subsidiaries	7	-	-	382,317	366,755
Investment in associate	8	-	114	-	125
Available-for-sale investments	9	7,148	9,321	1,450	1,644
Deferred tax assets	10	3	-	2	-
		486,715	338,787	383,817	368,703
Current assets					
Property development costs	4(b)	195,912	163,187	-	-
Available-for-sale investments	9	212	-	-	-
Inventories of completed properties	11	6,722	8,868	-	-
Trade and other receivables	12	17,186	27,543	26,059	36,672
Accrued billings in respect of property development costs		38,295	4,648	-	-
Accrued income		29	130	-	1
Prepayment		2,181	1,481	36	48
Tax recoverable		5,494	5,498	5,158	4,941
Cash and bank balances	13	76,095	176,870	1,050	2,579
		342,126	388,225	32,303	44,241
Total assets		828,841	727,012	416,120	412,944
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	14	195,063	195,063	195,063	195,063
Share premium		2,206	2,206	2,206	2,206
Other reserves	15	1,108	757	78,008	78,002
Retained earnings/(accumulated losses)		143,353	125,725	19,648	(745)
		341,730	323,751	294,925	274,526
Non-controlling interests		271	(51)	-	-
Total equity		342,001	323,700	294,925	274,526

		Group		Company	
	Note	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000 (Restated)
Non-current liabilities					
Deferred tax liabilities	10	66,274	83,505	-	11
Long term payables	17	10,277	-	-	-
Loans and borrowings	16	237,703	265,690	-	-
		314,254	349,195	-	11
Current liabilities					
Loans and borrowings	16	69,888	1,834	-	41
Trade and other payables	17	92,238	48,835	121,195	138,366
Prepayment from tenants		655	655	-	-
Progress billings in respect of property development costs		7,446	-	-	-
Tax payable		2,359	2,793	-	-
		172,586	54,117	121,195	138,407
Total liabilities		486,840	403,312	121,195	138,418
Total equity and liabilities		828,841	727,012	416,120	412,944

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

	Note	Group 2013 RM'000	Group 2012 RM'000 (Restated)	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Continuing operations					
Revenue	18	103,238	88,610	15,940	10,546
Cost of sales	19	(77,667)	(57,645)	-	(1,854)
Gross profit		25,571	30,965	15,940	8,692
Other income	20	6,212	4,880	21,194	5,619
Employee benefits expense	21	(7,591)	(7,165)	(1,980)	(1,870)
Depreciation		(2,214)	(2,395)	(136)	(238)
Other expenses		(13,322)	(16,446)	(11,225)	(13,032)
Profit/(loss) from operations		8,656	9,839	23,793	(829)
Finance costs	23	(2,365)	(2,053)	-	(4)
Profit/(loss) before tax from continuing operations	24	6,291	7,786	23,793	(833)
Income tax expense	25	11,269	7,888	(3,400)	(1,471)
Profit/(loss) after tax from continuing operations		17,560	15,674	20,393	(2,304)
Discontinued operations					
Loss from discontinued operations, net of tax	26	-	(23)	-	-
Profit/(loss) after tax for the year		17,560	15,651	20,393	(2,304)
Attributable to:					
Owners of the parent		17,628	15,702	20,393	(2,304)
Non-controlling interests		(68)	(51)	-	-
		17,560	15,651	20,393	(2,304)
Earnings per share attributable to owners of the parent (sen per share):					
Basic	27	1.8	1.6		

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

STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 March 2013

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit/(loss) for the year	17,560	15,651	20,393	(2,304)
Other comprehensive income/(expense):				
Fair value gain/(loss) on available-for-sale financial assets	303	(2,629)	6	(558)
Foreign currency translation	48	(48)	-	(48)
Total comprehensive income/(expense) for the year	17,911	12,974	20,399	(2,910)
Attributable to:				
Owners of the parent	17,979	13,025	20,399	(2,910)
Non-controlling interests	(68)	(51)	-	-
	17,911	12,974	20,399	(2,910)

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

Group	Share capital RM'000	Share premium RM'000	Other reserves RM'000 (Note 15)	Distributable retained earnings RM'000	Total RM'000	Non-controling interests RM'000	Total equity RM'000
	<------------ Attributable to owners of the parent -------->						
	<------ Non-distributable ------>			Distributable			
At 31 March 2013							
At 1 April 2012	195,063	2,206	757	125,725	323,751	(51)	323,700
Total comprehensive income/(expense)	-	-	351	17,628	17,979	(68)	17,911
Acquisition of subsidiary	-	-	-	-	-	390	390
At 31 March 2013	195,063	2,206	1,108	143,353	341,730	271	342,001
At 31 March 2012							
At 1 April 2011	195,063	2,206	4,562	108,895	310,726	-	310,726
Total comprehensive (expense)/income	-	-	(2,677)	15,702	13,025	(51)	12,974
Expiry of employee share options	-	-	(1,128)	1,128	-	-	-
At 31 March 2012	195,063	2,206	757	125,725	323,751	(51)	323,700

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2013
(CONT'D)

Company	<----------- Non-distributable -----------> Share capital RM'000	Share premium RM'000	Other reserves RM'000 (Note 15)	(Accumulated losses)/ retained earnings RM'000	Total equity RM'000
At 31 March 2013					
At 1 April 2012 (Restated)	195,063	2,206	78,002	(745)	274,526
Total comprehensive income	-	-	6	20,393	20,399
At 31 March 2013	195,063	2,206	78,008	19,648	294,925
At 31 March 2012					
At 1 April 2011					
- as previously reported	195,063	2,206	79,688	431	277,388
- prior year adjustment (Note 33)	-	-	48	-	48
At 1 April 2011 (Restated)	195,063	2,206	79,736	431	277,436
Total comprehensive expense	-	-	(606)	(2,304)	(2,910)
Expiry of employee share options	-	-	(1,128)	1,128	-
At 31 March 2012	195,063	2,206	78,002	(745)	274,526

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

	Note	Group 2013 RM'000	Group 2012 RM'000 (Restated)	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Cash flows from operating activities					
Profit/(loss) before tax from continuing operations		6,291	7,786	23,793	(833)
Loss before tax from discontinued operations		-	(23)	-	-
Profit before tax, total		6,291	7,763	23,793	(833)
Adjustments for:					
Bad debts recovered	12(b)	(58)	(52)	-	-
Depreciation					
- property, plant and equipment	3	1,726	1,907	136	238
- investment properties	5	488	488	-	-
Property, plant and equipment written off	24	2	10	1	1
Impairment on:					
- quoted investments	24	628	243	199	79
- investment in subsidiaries	24	-	-	10,132	9,281
- investment in associate	8	125	250	125	250
- intangible asset	6	1,721	768	-	-
- other receivables	12(b)	486	5,789	220	91
- property development cost	4(b)	266	200	-	-
Gain on disposal of quoted investments	20	(917)	(159)	-	-
Net loss on disposal of property, plant and equipment	20,24	-	26	-	-
Net loss on disposal of subsidiary companies	20,24	-	2,421	-	2,445
Reversal of impairment loss on:					
- other receivables	12(b)	(22)	-	-	-
- property, plant and equipment	20	-	(63)	-	-
- investment property	5	(939)	(306)	-	-
- investment in subsidiaries	20	-	-	(21,194)	(5,619)
Unwinding of discount	20	(565)	-	-	-
Interest expense	23	2,365	2,053	-	4
Interest income	18,20	(3,375)	(3,653)	(97)	(237)
Dividend income	18	(224)	(182)	(14,520)	(7,700)
Operating profit/(loss) before working capital changes		7,998	17,503	(1,205)	(2,000)
Changes in working capital:					
(Increase)/decrease in property development costs		(13,065)	23,551	-	-
(Increase)/decrease in receivables		(23,089)	(8,168)	16,446	(2,167)
Decrease in inventories		2,146	180	-	-
Increase in payables		47,223	5,287	23	34
Changes in subsidiaries balances		-	-	(23,233)	(3,062)
Cash generated from/(used in) operations carried forward		21,213	38,353	(7,969)	(7,195)

STATEMENTS OF CASH FLOWS
For the year ended 31 March 2013
(CONT'D)

	Note	Group 2013 RM'000	Group 2012 RM'000 (Restated)	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Cash flows from operating activities (cont'd)					
Cash generated from/(used in) operations brought forward		21,213	38,353	(7,969)	(7,195)
Interest received		97	241	97	241
Dividend received		-	-	14,520	7,700
Taxes paid		(6,394)	(5,182)	(3,630)	(1,925)
Net cash generated/(used in) from operating activities		14,916	33,412	3,018	(1,179)
Cash flows from investing activities					
Interest received		3,372	3,352	-	-
Dividend received		224	182	-	-
Acquisition of subsidiary company		(3,539)	-	(4,500)	-
Proceeds from disposal of property, plant and equipment		-	176	-	-
Proceeds from disposal of quoted investments		2,552	937	-	-
Purchase of property, plant and equipment		(941)	(636)	(6)	(15)
Purchase of investment properties		(153,975)	(61,240)	-	-
Purchase of associate		-	(375)	-	(375)
Net cash used in investing activities		(152,307)	(57,604)	(4,506)	(390)
Cash flows from financing activities					
Repayment of hire purchase payables		(258)	(323)	(41)	(96)
Drawdown of loan		44,146	212,000	-	-
Repayment of term loan		(4,908)	(30,113)	-	-
Interest paid		(2,364)	(2,053)	-	(4)
Net cash generated from/(used in) financing activities		36,616	179,511	(41)	(100)
Net (decrease)/increase in cash and bank balances		(100,775)	155,319	(1,529)	(1,669)
Cash and bank balances at beginning of year		176,870	21,551	2,579	4,248
Cash and bank balances at end of year	13	76,095	176,870	1,050	2,579

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 106, Block G, Pusat Dagangan Phileo Damansara 1, No.9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan.

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 are disclosed in Note 7.

There have been no significant changes 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 24 July 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The 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 2012 as described fully in Note 2.2.

The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies in Note 2.4.

The 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 2012, the Group and the Company adopted the following new amended FRS and IC Interpretations mandatory for annual periods beginning on or after 1 April 2012.

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7: Transfers of Financial Assets
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets
FRS 124 Related Party Disclosures

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company except for those discussed below:

Amendments to FRS 7: Transfers of Financial Assets

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset. The management expects to recover the carrying amounts of its investment properties through rental earned.

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
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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. (cont'd)

Description	Effective for annual periods beginning on or after
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
FRS 9 Financial Instruments	1 January 2014

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:

FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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: (cont'd)

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128 Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

Upon adoption of FRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of FRS 13 is expected to result in higher fair value of certain properties of the Group.

Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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: (cont'd)

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2012, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

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 (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group 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 Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2013 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies

(a) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) 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.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for using the purchase method except for a subsidiary which met the criteria for merger accounting in the financial year ended 31 March 1996 under the Malaysian Accounting Standards ("MAS") No. 2, Accounting for Mergers, and is accounted for using merger accounting principles. Under the transitional provisions of FRS 3, the Group continues to apply merger accounting applicable for that subsidiary as the agreement date is before 1 January 2006.

Where merger accounting principles are used, the cost of investment in the Company's records are recorded at the nominal value of shares issued and the difference between the carrying value of the investment and the nominal value of shares acquired is treated as a merger reserve, a non distributable reserve, or merger deficit. Merger deficits are adjusted against the income statement in the year of merger. The results of the companies being merged are included as if the merger had been effected throughout the current and previous financial years.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.4(d). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(c) Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income 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.

(d) Intangible assets

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 initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortised but instead, it 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(d) Intangible assets (cont'd)

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 of, 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) Associate

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to associate is included in the carrying amount of the investment. Any excess of the Group's share of net fair value of the associate's identifiable assets, liabilities, and contingent liabilities over the cost of the 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.

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 obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount in income statement.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(e) Associate (cont'd)

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

(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 the income statement 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.

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	Over leasehold period
Long term leasehold land and building	2%
Long term leasehold buildings	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 the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(g) Investment properties

Investment properties comprise properties and properties under construction which are held either to earn rental income or for capital appreciation or for both. Such properties are initially measured at cost (including transaction costs but excluding the costs of day-to-day servicing). Subsequent to initial recognition, completed investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses while investment properties under construction are stated at cost less any accumulated impairment losses.

Leasehold properties are depreciated over its lease period on a straight line basis. Depreciation is not provided on investment property under construction. Investment property under construction have not been revalued since it was first revalued in 1996. The directors have not adopted a policy of regular revaluations of such property. 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 investment property under construction continue to be stated at its 1996 valuation less accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when they are 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 the income statement in the year in which they arise.

(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 as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(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 consists of land and development expenditure. Development expenditure includes 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 income statement 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 income statement over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings.

(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 income statement 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 income statement 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

(a) Classification

The Group and the Company classify their financial assets in the following categories: loans and receivables and available-for-sale investments. The classification depends on the purpose for which the financial assets were required. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting date. These are classified as non-current assets. The Group's and the Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statements of financial position.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either in this category or are not classified in the preceeding category. They are included in non-current assets unless the management intends to dispose of it within 12 months of the end of the reporting period.

(b) Recognition and measurement

Financial assets 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(j) Financial assets (cont'd)

(b) Recognition and measurement (cont'd)

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Group and the Company commits to purchase or sell the asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when loans and receivables are derecognised or impaired, and through the amortisation process.

After initial recognition, available-for-sale 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 are recognised in income statement . The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income statement as a reclassification adjustment when the financial asset is sold or derecognised.

Dividends on an available-for-sale equity instrument are recognised in income statement when the Group's and the Company's right to receive payment is established.

Interest income calculated using the effective interest method is recognised in income statement.

(c) Derecognition

The Group and the Company derecognises a financial asset only when the contractual rights to the cash flows from the assets expired or when the Group and the Company have transferred substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gains or losses previously recognised in other comprehensive income and accumulated in equity is recognised in income statement.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

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

(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 income statement.

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 income statement.

(ii) Assets classified as available-for-sale

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 available-for-sale financial assets are impaired.

If an available-for-sale 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 income statement, is transferred from equity to income statement.

Impairment losses on available-for-sale equity investments are not reversed in income statement in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(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. Cost includes costs associated with the acquisition of land, direct cost and appropriate proportions of common costs.

Net realisable value 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) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(o) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(o) Financial liabilities (cont'd)

The Group and the Company classify all 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 has 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 income statement 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 income statement.

(p) 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.

(q) Leases

(a) 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 income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(q) Leases (cont'd)

(a) As a lessee (cont'd)

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 income statement 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.

(b) 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).

(r) 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.

All other borrowing costs are recognised in the income statement 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.

(s) Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(t) 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 income statement except to the extent that the tax relates to items recognised outside income statement, 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 5, 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)

(t) 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 income statement is recognised outside income statement. 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.

(u) Employee benefits

(i) 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)

(u) Employee benefits (cont'd)

(ii) 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 income statement, 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.

(v) 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 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)

(v) 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 the income statement 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 income statement 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 the income statement 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 expense 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 income statement.

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.

(w) Revenue recognition

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

(i) Sale of properties

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

(ii) Sale of building materials

Revenue from sale of building materials is 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 recognition (cont'd)

(iii) Carpark operations

Revenue from carpark operations is recognised as and when the services are rendered.

(iv) Interest income

Interest income is recognised on using the effective interest method.

(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) Segment reporting

For management 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 review 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, including the factors used to identify the reportable segments and the measurement basis of segment information.

(y) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Summary of significant accounting policies (cont'd)

(z) 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 disclosure of contingent liabilities 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.

(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.

Investment properties principally comprise freehold and leasehold properties and properties under construction held by the Group for their investment potential and are not occupied by the Group.

(ii) Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on one long term leasehold land, as further disclosed in Note 28. The Group has determined that it retains all the significant risks and rewards of ownership of this property which are deemed to be leased out on operating leases.

(iii) 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 collectibility 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 allowances may be required.

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. This requires the fair value less costs to sell of a piece of long term leasehold land to which the goodwill is allocated. The fair value has been determined by registered independent appraisers having an appropriate recognised professional qualification and recent experience in the category of the leasehold land being valued. The carrying amount of goodwill as at 31 March 2013 was RM21,453,000 (2012: RM23,174,000). Further details are disclosed in Note 6.

(ii) Property development

The Group recognises property development revenue and expenses in the income statement 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.

Significant judgements 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).

(iii) Deferred tax

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances 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. The total carrying value of unrecognised tax losses and capital allowances of the Group and of the Company are RM1,343,000 (2012: RM2,708,000) and RM8,000 (2012: RM161,000) respectively.

(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 25.

3. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation Long term leasehold land and building RM'000	<--- At cost Long term leasehold buildings RM'000	Long term leasehold land RM'000	At cost ---> Motor vehicles, office furniture, equipment, plant, machinery and renovation RM'000	Total RM'000
At 31 March 2013					
At valuation/cost					
At 1 April 2012	370	26,345	7,868	9,498	44,081
Additions	-	-	-	1,164	1,164
Write off	-	-	-	(187)	(187)
At 31 March 2013	370	26,345	7,868	10,475	45,058
Accumulated depreciation					
At 1 April 2012 Accumulated depreciation	155	1,935	362	7,400	9,852
Depreciation charge for the year	8	490	100	1,128	1,726
Write off	-	-	-	(185)	(185)
At 31 March 2013	163	2,425	462	8,343	11,393
Net carrying amount					
At 31 March 2013	207	23,920	7,406	2,132	33,665

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

Group (cont'd)	At valuation Long term leasehold land and building RM'000	<---- At cost ----> Long term leasehold buildings RM'000	Long term leasehold land RM'000	Motor vehicles, office furniture, equipment, plant, machinery and renovation RM'000	Total RM'000
At 31 March 2012					
At valuation/cost					
At 1 April 2011	370	26,345	7,868	8,901	43,484
Additions	-	-	-	1,265	1,265
Disposals	-	-	-	(472)	(472)
Write off	-	-	-	(196)	(196)
At 31 March 2012	370	26,345	7,868	9,498	44,081
Accumulated depreciation and impairment losses					
At 1 April 2011					
Accumulated depreciation	148	1,444	262	6,547	8,401
Accumulated impairment losses	-	63	-	-	63
Depreciation charge for the year	7	491	100	1,309	1,907
Disposals	-	-	-	(270)	(270)
Write off	-	-	-	(186)	(186)
Reversal of impairment loss (Note 20)	-	(63)	-	-	(63)
At 31 March 2012					
Analysed as:					
Accumulated depreciation	155	1,935	362	7,400	9,852
Accumulated impairment losses	-	-	-	-	-
	155	1,935	362	7,400	9,852
Net carrying amount					
At 31 March 2012	215	24,410	7,506	2,098	34,229

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

Company	Motor vehicles RM'000	Office furniture and equipment RM'000	Total RM'000
At 31 March 2013			
Cost			
At 1 April 2012	1,081	262	1,343
Addition	-	6	6
Write off	-	(37)	(37)
At 31 March 2013	1,081	231	1,312
Accumulated depreciation			
At 1 April 2012	967	197	1,164
Charge for the year	114	22	136
Write off	-	(36)	(36)
At 31 March 2013	1,081	183	1,264
Net carrying amount			
31 March 2013	-	48	48
At 31 March 2012			
Cost			
At 1 April 2011	1,081	254	1,335
Addition	-	15	15
Write off	-	(7)	(7)
At 31 March 2012	1,081	262	1,343
Accumulated depreciation			
At 1 April 2011	751	181	932
Charge for the year	216	22	238
Write off	-	(6)	(6)
At 31 March 2012	967	197	1,164
Net carrying amount			
31 March 2012	114	65	179

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

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

The long term leasehold building of the Group was 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 2013 would have been RM244,000 (2012: RM256,000).

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

There is a reversal of impairment of RM NIL (2012: 63,000) due to increase in value in use and market value of the certain leasehold building stated at cost. Value in use calculations is based on cash flow projections from financial budgets approved by management covering the remaining lease period. The pre-tax discount rate applied to the expected cash flows to be generated to the present value is 6.6%. Market value was determined having regard to recent market transactions for similar properties in the same location as the Group's long term leasehold building.

(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 are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Motor vehicles	3,452	789	1,081	-
Office furniture and equipment	1,970	2,025	120	164
Renovation	1,112	681	-	-
	6,534	3,495	1,201	164

(d) Assets held under hire purchase arrangements

During the current financial year, the Group and Company acquired property, plant and equipment at aggregate costs of RM1,164,000 (2012: RM1,265,000) and RM6,000 (2012: RM15,000) respectively of which assets costing RM223,000 (2012: RM788,000) of the Group 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 16(d)). Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Motor vehicles	922	1,084	-	74

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group	
	2013 RM'000	2012 RM'000
Long term leasehold land		
Cost and carrying amount		
At the beginning	54,000	54,000
Acquisition of subsidiary	17,998	-
At end of the year	71,998	54,000

Certain long term leasehold land of the Group with a carrying value of RM54,000,000 (2012: RM NIL) has been charged to financial institution as securities for revolving credit guaranteed to the Group as disclosed in Note 16(c).

(b) Property development costs

	Group	
	2013 RM'000	2012 RM'000
Cumulative property development costs		
At 1 April 2012/2011:		
Freehold land	71,634	96,967
Long term leasehold land	56,881	56,961
Development costs	58,949	33,010
	187,464	186,938

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs (cont'd)

	Group 2013 RM'000	Group 2012 RM'000
Cumulative property development costs (cont'd)		
Costs incurred during the year:		
Freehold land	782	1,046
Long term leasehold land	498	120
Development costs	86,303	30,244
	87,583	31,410
Transfers:		
To income statement	-	(219)
Impairment loss recognised in income statement (Note 24)	(266)	(200)
From investment properties (Note 5)	19,927	-
	19,661	(419)
Reversal of completed projects:		
Freehold land	-	(26,379)
Development costs	-	(4,086)
	-	(30,465)
At 31 March 2013/2012	294,708	187,464
Cumulative costs recognised in income statement		
At 1 April 2012/2011	(24,277)	-
Recognised during the year (Note 19)	(74,519)	(54,742)
Reversal of completed projects	-	30,465
At 31 March 2013/2012	(98,796)	(24,277)
Property development costs at 31 March 2013/2012	195,912	163,187

Certain long term leasehold land were revalued in 1996 based on professional valuations conducted on the basis of open market value.

These properties have not been revalued since they were first revalued in 1996. The directors have not adopted a policy of regular valuations of such assets. As permitted under the transitional provisions of Financial Reporting Standard 201: Property Development Activities adopted by the Malaysian Accounting Standards Board, where an entity has carried its land held for property development at revalued amount as allowed under MASB Approved Accounting Standard MAS 7: Accounting for Property Development prior to 1 January 2004, the entity shall continue to retain the revalued amount of the land as its surrogate cost.

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Property development costs (cont'd)

Included in property development costs incurred during the financial year are interest expense capitalised of RM2,380,000 (2012: RM1,116,000).

Included in property development costs of the Group are freehold and leasehold land and development costs amounting to RM179,197,000 (2012: RM162,920,000) which have been charged to financial institutions as securities for the term loans, Islamic loan and medium term loans granted to the Group, as disclosed in Note 16(a), (b) and (e) (2012: Note 16(a) and (e)).

5. INVESTMENT PROPERTIES

Group	Leasehold land RM'000	Leasehold building RM'000	Investment property under construction RM'000	Total RM'000
At 31 March 2013				
Cost				
At 1 April 2012	44,318	375	186,276	230,969
Additions	-	-	153,975	153,975
Transfer to Property Development Cost (Note 4(b))	-	-	(23,146)	(23,146)
At 31 March 2013	44,318	375	317,105	361,798
Accumulated depreciation and impairment losses				
At 1 April 2012				
Accumulated depreciation	4,441	7	-	4,448
Accumulated impairment losses	939	-	7,633	8,572
Depreciation charge for the year	480	8	-	488
Transfer impairment loss to Property Development Cost (Note 4 (b))	-	-	(3,219)	(3,219)
Reversal of impairment loss (Note 20)	(939)	-	-	(939)
At 31 March 2013				
Analysed as:				
Accumulated depreciation	4,921	15	-	4,936
Accumulated impairment losses	-	-	4,414	4,414
	4,921	15	4,414	9,350
Net carrying amount				
At 31 March 2013	39,397	360	312,691	352,448

5. INVESTMENT PROPERTIES (CONT'D)

Group (cont'd)	Freehold land RM'000	Leasehold land RM'000	Leasehold building RM'000	Investment property under construction RM'000	Total RM'000
At 31 March 2012					
Cost					
At 1 April 2011	60,000	44,113	-	125,036	229,149
Additions	-	-	-	61,240	61,240
Disposal of subsidiary	(60,000)	-	-	-	(60,000)
Transfer from inventories of completed properties (Note 11)	-	205	375	-	580
At 31 March 2012	-	44,318	375	186,276	230,969
Accumulated depreciation and impairment losses					
At 1 April 2011					
Accumulated depreciation	-	3,960	-	-	3,960
Accumulated impairment losses	38,000	1,245	-	7,633	46,878
Depreciation charge for the year	-	481	7	-	488
Disposal of subsidiary	(38,000)	-	-	-	(38,000)
Reversal of impairment loss (Note 20)	-	(306)	-	-	(306)
At 31 March 2012					
Analysed as:					
Accumulated depreciation	-	4,441	7	-	4,448
Accumulated impairment losses	-	939	-	7,633	8,572
	-	5,380	7	7,633	13,020
Net carrying amount					
At 31 March 2012	-	38,938	368	178,643	217,949

Included in investment properties is certain long term leasehold land of the Group amounting to approximately RM12,564,000 (2012: RM12,736,000) which has been leased to a third party under an operating lease agreement, as disclosed in Note 28. The fair value of this long term leasehold land has been determined by using cash flow projections. Cash flow projections is for operating lease period of twenty-two (22) years and the pre-tax discount rate applied to the expected cash flows to be generated to the present value is 6.6%.

5. INVESTMENT PROPERTIES (CONT'D)

The calculations of value in use for the leasehold land is most sensitive to the following assumption:

Pre-tax discount rate – Discount rate reflect the current market assessment of the risks specific to each cash-generated units ("CGU"). This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rate, regard has been given to the base lending rate set by the banks.

Certain long term leasehold land and investment property under construction of the Group with carrying value of RM351,363,000 (2012: RM217,379,000) have been charged to financial institutions as securities for credit facilities granted to the Group, as disclosed in Note 16(a), (b) and (e) (2012: Note 16(a), (b) and (e)).

Certain leasehold land and building of the Group with the carrying value of RM560,000 (2012: RM570,000) are fair valued at RM1,078,000 (2012: RM912,000) based on market value of similar properties at the same location.

The remaining investment properties excluding investment properties under construction are fair valued at RM26,633,000 (2012: RM26,912,000) as 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 having regard to recent market transactions for similar properties in the same location as the Group's investment properties.

The fair value of investment properties under construction could not be determined as the fair value could not be reliably obtained. The interest expense capitalised in investment properties under construction during the financial year is RM8,957,000 (2012: RM7,438,000).

6. INTANGIBLE ASSET

	Group	
	2013 RM'000	2012 RM'000
Net carrying amount		
At 1 April 2012/2011	23,174	23,942
Impairment loss recognised in income statement (Note 24)	(1,721)	(768)
At 31 March 2013/2012	21,453	23,174

(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.

6. INTANGIBLE ASSET (CONT'D)

(i) Allocation of goodwill (cont'd)

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

	Group	
	2013 RM'000	2012 RM'000
Property development		
At 1 April 2012/2011	9,898	9,491
Reclassification	-	1,175
Impairment loss recognised in income statement (Note 24)	(1,721)	(768)
At 31 March 2013/2012	8,177	9,898
Property investment		
At 1 April 2012/2011	13,276	14,451
Reclassification	-	(1,175)
At 31 March 2013/2012	13,276	13,276
Total goodwill	21,453	23,174

(ii) Impairment testing of goodwill

The recoverable amounts 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 descibed in the property development cost Note 2.4(h)(ii).

The recoverable amounts 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 having regard to recent market transactions for similar properties in the same location as the Group's investment properties.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	575,200	570,701
Accumulated impairment losses	(192,883)	(203,946)
	382,317	366,755

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 2013 %	2012 %	Principal activities
Held by the Company:				
Climate Engineering (Malaya) Sdn. Bhd.	50,000	100.00	100.00	Investment holding
AGB Properties Sdn. Bhd.	1,000	100.00	100.00	Investment holding and renting out of offices
Pinus Park Sdn. Bhd.	680	100.00	100.00	Renting out of bungalow
BH Builders Sdn. Bhd.	110,000	100.00	100.00	Investment holding, property investment and development
Primadana Utama Sdn. Bhd.	2,500	100.00	100.00	Investment holding, property investment and development
Prousaha (M) Sdn. Bhd. *	5,000	90.00	-	Property investment and development
Syarikat Kapasi Sdn. Bhd.	178,000	100.00	100.00	Property investment and development and carpark operation
Changkat Fajar Sdn. Bhd.	1,000	100.00	100.00	Property investment and development
Quality Trend Sdn. Bhd.	244	100.00	100.00	Property investment and development
Asian Pac Property Management Sdn. Bhd. *	500	100.00	100.00	Property investment and development
Held through subsidiaries:				
BH Realty Sdn. Bhd.	3,100	100.00	100.00	Property investment and development and car park operation
Wangsa Masyhur Sdn. Bhd.	30,000	100.00	100.00	Property investment and development
Tekad Intisari Sdn. Bhd.	**	75.00	75.00	Property development
Taman Bestari Sdn. Bhd.	750	100.00	100.00	Property development

* Audited by firm other than Ernst & Young
** Represents paid-up share capital of RM100

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

In the previous year, the Group disposed off its 100% equity interest in Selamat Ayer Puteh Co. Sdn. Bhd. and Levenue Property Management Sdn. Bhd. on 18 October 2012 and 25 August 2012 for a total consideration of RM14,500,000 and RM2 respectively comprising of cash and deferred cash settlement. The defered cash settlements was fully paid in the current financial year.

On 21 February 2013, the Group entered into a Share Sale Agreement to acquire 500,000 ordinary shares of RM1.00 each in Prousaha (M) Sdn Bhd ("PMSB") for a total consideration of RM500,000 and further subscribed 4,000,000 ordinary shares of RM1.00 each of PMSB making it a 90% shareholding in PMSB on 26 March 2013.

The effects of the acquisition on the financial position of the Group as at 31 March 2013 is as follows:

	RM'000
Land held for development	17,998
Other receivables	397
Cash and bank balances	961
Other payables	(14,467)
	4,889
Less: Non controlling interest's share of net assets	(389)
Group's share of net assets	4,500

The fair value of the assets acquired and liabilities assumed from the acquisition of the subsidiary were as follows:

	RM'000
Land held for development (Note 4(a))	17,998
Other receivables	397
Cash and bank balances	961
Other payables	(14,467)
	4,889
Less: Non controlling interest's share of net assets	(389)
Cost of acquisition was satisfied by cash	4,500

Cash outflow arising on acquisition:	
Purchase consideration satisfied by cash, representing total cash outflow of the Company	(4,500)
Cash and cash equivalents of subsidiaries acquired	961
Net cash outflow of the Group	(3,539)

8. INVESTMENT IN ASSOCIATE

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000 (Restated)
Unquoted shares outside Malaysia	375	375	375	375
Less: Accumulated impairment losses	(375)	(250)	(375)	(250)
	-	125	-	125
Exchange differences	-	(11)	-	-
	-	114	-	125

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 RM191,600 (2012: RM250,000). The Group has no obligation in respect of these losses.

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

Name of associate	Paid-up share capital RM'000	Proportion of ownership interest 2013 %	2012 %	Principal activities
PT AP International *	750	50	50	Property development and property management

* Audited by firm other than Ernst & Young

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2013 RM'000	2012 RM'000
Assets and liabilities:		
Total assets	63	427
Total liabilities	(236)	(198)
Results:		
Revenue	-	-
Loss for the year	(250)	(500)

9. AVAILABLE-FOR-SALE INVESTMENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Available-for-sale financial assets				
Non-Current				
Quoted shares in Malaysia	7,131	9,309	1,433	1,632
Quoted shares outside Malaysia	17	12	17	12
	7,148	9,321	1,450	1,644
Current				
Unquoted loan stocks in Malaysia, at cost	212	-	-	-

Impairment losses

During the financial year, the Group and the Company recognised impairment losses of RM628,000 (2012: RM243,000) and RM199,000 (2012: RM79,000) respectively as there were decline in the fair value of these investments below their costs.

10. DEFERRED TAX

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1 April 2012/2011	(83,505)	(97,827)	(11)	-
Recognised in income statement (Note 25)	17,234	14,322	13	(11)
At 31 March 2013/2012	(66,271)	(83,505)	2	(11)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Presented after to appropriate offsetting as follows:				
Deferred tax asset	3	-	2	-
Deferred tax liabilities	(66,274)	(83,505)	-	(11)
	(66,271)	(83,505)	2	(11)

10. DEFERRED TAX (CONT'D)

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

Group	Revaluation of land held for property development RM'000	Provisions and unused tax losses RM'000	Total RM'000
Deferred tax assets:			
At 1 April 2012	-	569	569
Recognised in income statement	-	553	553
At 31 March 2013	-	1,122	1,122
At 1 April 2011	-	30	30
Recognised in income statement	-	539	539
At 31 March 2012	-	569	569
Deferred tax liabilities:			
At 1 April 2012	(83,997)	(77)	(84,074)
Recognised in income statement	16,680	1	16,681
At 31 March 2013	(67,317)	(76)	(67,393)
At 1 April 2011	(97,814)	(43)	(97,857)
Recognised in income statement	13,817	(34)	13,783
At 31 March 2012	(83,997)	(77)	(84,074)

Company	Unused tax losses 2013 RM'000	Unused tax losses 2012 RM'000
Deferred tax assets:		
As at 1 April	8	-
Recognised in income statement	6	8
As at 31 March	14	8
Deferred tax liabilities:		
As at 1 April	(19)	-
Recognised in income statement	7	(19)
As at 31 March	(12)	(19)

10. DEFERRED TAX (CONT'D)

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

	Group 2013 RM'000	Group 2012 RM'000
Unused tax losses	1,343	2,708
Unabsorbed capital allowances	8	161
	1,351	2,869

The unused tax losses of the Group 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 tax 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 they have arisen in subsidiaries that have a history of losses.

11. INVENTORIES OF COMPLETED PROPERTIES

	Group 2013 RM'000	Group 2012 RM'000
Inventories of completed properties, at cost	6,722	8,868

Certain completed properties with carrying value of RM6,437,000 (2012: RM4,953,000) have been charged to financial institutions as securities for credit facilities granted to the Group, as disclosed in Note 16(a) and (c) (2012: Note 16(a)).

In the previous financial year, the Group has transferred inventories of completed properties to investment properties with the carrying value of RM580,000.

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM2,146,000 (2012: RM Nil).

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000 (Restated)
Current				
Trade receivables				
Receivables from sale of properties and building materials	7,253	2,048	-	1,868

12. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Current				
Other receivables				
Due from previous stockbroking clients	8,347	14,677	-	-
Sundry receivables	2,550	7,542	592	747
Deferred payment for disposal of a subsidiary	-	14,210	-	14,210
Deposits for acquisition of land	1,990	2,030	-	-
Other deposits	719	1,067	8	301
Capital contribution pursuant to a Joint Project Management Agreement	2,746	3,153	-	-
Due from associate	219	219	219	219
Due from subsidiaries	-	-	25,899	19,857
	16,571	42,898	26,718	35,334
Less: Exchange translation difference	-	(37)	-	-
Allowance for impairment	(6,638)	(15,059)	(659)	(530)
Interest in suspense	-	(2,307)	-	-
	9,933	25,495	26,059	34,804
Total trade and other receivables	17,186	27,543	26,059	36,672
Add: Cash and bank balances (Note 13)	76,095	176,870	1,050	2,579
Total loans and receivables	93,281	204,413	27,109	39,251

(a) Trade receivables

The Group's and the Company's normal trade credit terms range from 14 to 60 days (2012: 14 to 60 days) and 60 days (2012: 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.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are from sale of property and building materials as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	3,840	1,999	-	1,868
1 to 30 days past due not impaired	1,528	7	-	-
31 to 60 days past due not impaired	300	6	-	-
61 to 90 days past due not impaired	162	-	-	-
More than 91 days past due not impaired	1,423	36	-	-
	3,413	49	-	-
	7,253	2,048	-	1,868

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 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 RM3,413,000 (2012: RM49,000) 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 have provided an allowance of RM6,350,000 (2012: RM9,895,000) for impairment of the amount due from previous stockbroking clients and RM288,000 (2012: RM5,164,000) for impairment of the amount due from sundry receivables. The Company has provided an allowance of RM220,000 (2012: RM91,000) for impairment of the amount due from sundry receivables and RM439,000 (2012: RM439,000) for impairment of the amount due from a subsidiary.

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.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables (cont'd)

Other receivables that are impaired (cont'd)

The amount due from sundry receivables are unsecured, non-interest bearing and repayable on demand.

Movement in allowance accounts

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1 April 2012	(15,059)	(9,421)	(530)	(439)
Bad debts recovered (Note 20)	58	52	-	-
Bad debts written off	8,827	99	91	-
Impairment losses (Note 24)	(486)	(5,789)	(220)	(91)
Reversal of impairment losses (Note 20)	22	-	-	-
At 31 March 2013	(6,638)	(15,059)	(659)	(530)

(c) Deposit for acquisition of land

The deposits made by the Group relate to the proposed acquisitions of freehold land as described in Note 31 and earnest deposit for a proposed joint venture development for a piece of land in Klang Valley.

(d) Capital contribution pursuant to a Joint Project Management Agreement

The capital contribution was pursuant to a Joint Project Management Agreement ("the Agreement") entered by the Company's wholly owned subsidiary, AGB Properties Sdn. Bhd. with Puncak Darul Naim Sdn. Bhd. on 12 July 2005 to jointly manage the development of a residential project for a period of 9 months or such extended period as mutually agreed upon. On 12 July 2006, the Agreement was mutually terminated and Puncak Darul Naim Sdn Bhd has returned a portion of the balance of capital contribution to the subsidiary in tranches.

(e) Due from subsidiaries

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

As at the reporting date, the Company has provided an allowance of RM NIL (2012: RM439,000) for impairment of the amount due from a subsidiary which has been suffering financial losses for the current and past financial years.

13. CASH AND BANK BALANCES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash at banks and on hand	15,297	15,865	549	199
Short term deposits with:				
Licensed banks	55,003	152,486	-	-
Financial institutions	5,795	8,519	501	2,380
Cash and bank balances	76,095	176,870	1,050	2,579

Included in cash at banks of the Group are amounts of RM7,801,000 (2012: RM11,056,000) 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 bank of the Group is an amount of RM11,031,000 (2012: RM12,319,000) which was pledged to financial institutions for credit facilities granted to a few subsidiaries as disclosed in Note 16(a), (b), (c) and (e) (2012: Note 16(a) and (e)).

Short term deposits with licensed banks of the Group amounting to RM52,244,000 (2012: RM150,936,000) are pledged to licensed banks for credit facilities granted to a few subsidiaries as disclosed in Note 16(a) and (e) (2012: Note 16 (e)).

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

	Group 2013 %	Group 2012 %	Company 2013 %	Company 2012 %
Licensed banks	2.98	3.08	-	-
Financial institutions	3.00	3.00	3.00	3.06

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

	Group 2013 Days	Group 2012 Days	Company 2013 Days	Company 2012 Days
Licensed banks	36	89	-	-
Financial institutions	6	12	7	16

14. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
Group and Company:				
Authorised:				
At beginning/end of year	7,500,000	7,500,000	1,500,000	1,500,000
Issued and fully paid:				
At beginning/end of year, at par value of RM0.20 each	975,315	975,315	195,063	195,063

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. However, there were no ESOS granted during the financial year.

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.

(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.

14. SHARE CAPITAL (CONT'D)

Employee share option scheme (cont'd)

The salient features of the ESOS are as follows: (cont'd)

(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. 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.

15. OTHER RESERVES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000 (Restated)
Merger reserve	-	-	78,000	78,000
Fair value adjustment reserve	1,108	805	8	2
Foreign currency translation reserve	-	(48)	-	-
	1,108	757	78,008	78,002

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) 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.

(b) 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.

(c) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

16. LOANS AND BORROWINGS

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Current					
Secured:					
Floating rate term loans	(a)	5,190	1,167	-	-
Islamic financing	(b)	441	422	-	-
Revolving credit	(c)	14,000	-	-	-
Obligation under finance leases	(d)	257	245	-	41
Medium term notes	(e)	50,000	-	-	-
		69,888	1,834	-	41
Non-current					
Secured:					
Floating rate term loans	(a)	52,280	49,757	-	-
Islamic financing	(b)	36,213	17,541	-	-
Obligation under finance leases	(d)	646	694	-	-
Medium term notes	(e)	148,564	197,698	-	-
		237,703	265,690	-	-
Total loans and borrowings		307,591	267,524	-	41

The remaining maturities of the loans and borrowings are as follows:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
On demand and within one year	69,888	1,834	-	41
More than 1 year and less than 2 years	104,346	78,873	-	-
More than 2 years and less than 5 years	133,357	186,817	-	-
	307,591	267,524	-	41

(a) The floating rate term loans are obtained for development projects of the Company's wholly-owned subsidiary companies, Changkat Fajar Sdn. Bhd. and BH Realty Sdn. Bhd. It bore an average interest rate of 5.04% to 5.30% (2012: 5.09% to 5.32%) per annum. It is secured by charges over the Group's freehold and leasehold properties as disclosed in Note 4(b), certain leasehold property (Note 5), certain inventory of completed property (Note 11), certain short term deposits and bank balances (Note 13) and corporate guarantee provided by the holding company amounting to RM57,470,000.

16. LOANS AND BORROWINGS (CONT'D)

(b) Islamic financing is obtained for the working capital of a wholly-owned subsidiary, BH Realty Sdn. Bhd. and for partial financing of the acquisition of investment properties by wholly-owned subsidiary, BH Builders Sdn. Bhd. from another wholly-owned subsidiary, Syarikat Kapasi Sdn. Bhd. It bore an average interest rate of 4.60% to 6.05% (2012: 4.60%) per annum. It is secured by charges over the Group's leasehold property as disclosed in Note 4 (b) and Note 5, certain bank balances (Note 13), lease proceeds from an operating lease (Note 28) and corporate guarantee provided by the holding company amounting to RM36,654,000.

(c) Revolving credits were obtained for the working capital of the Company's wholly-owned subsidiary companies, BH Realty Sdn. Bhd. and Syarikat Kapasi Sdn. Bhd. The revolving credits bore an average interest rate of 5.2% to 6.54% (2012: NIL) per annum. It was secured by charges over the Group's leasehold property as disclosed in Note 4 (a), certain inventory of completed property (Note 11) and certain bank balances (Note 13) and corporate guarantee provided by the holding company amounting to RM14,000,000.

(d)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Future minimum lease payments:				
Within and up to one year	295	287	-	42
After one and up to two years	295	245	-	-
After two and up to five years	390	503	-	-
	980	1,035	-	42
Less: Future finance charges	(77)	(96)	-	(1)
Present value of finance liabilities	903	939	-	41
Present value of finance lease liabilities:				
Within and up to one year	257	245	-	41
After one and up to two years	270	216	-	-
After two and up to five years	376	478	-	-
	903	939	-	41
Analysed as:				
Due within 12 months	257	245	-	41
Due after 12 months	646	694	-	-
	903	939	-	41

The hire purchase payables bore interest at flat rates of between 2.15% to 3.25% (2012: 2.5% to 3.25%) per annum.

These obligations are secured by a charge over the leased assets (Note 3).

16. LOANS AND BORROWINGS (CONT'D)

(e) In the previous financial years, Syarikat Kapasi Sdn. Bhd., a wholly-owned subsidiary of the Company issued RM200,000,000 Medium Term Notes ("MTN") under a Financial Guarantee Insurance Policy Issuance Facility from Danajamin Nasional Berhad to finance the construction and development cost of KK Time Square 2 project.

The MTNs have a tenure of 1.5 to 3.5 years and are subject to coupon rate of 3.58% to 4.15% per annum and guarantee fee of 1.5% per annum.

The facility is secured by the Group's leasehold properties as disclosed in Note 4(b) and Note 5, certain short term deposits and bank balances (Note 13) and corporate guarantee provided by the holding company amounting to RM200,000,000.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current				
Trade payables				
Third parties	47,115	28,368	-	-
Trade accruals	23,200	10,199	-	-
	70,315	38,567	-	-
Other payables				
Deposits from property purchasers	3,491	1,679	-	-
Other deposits	864	864	-	-
Interest payables	2,698	2,657	-	-
Accruals	1,129	1,181	125	82
Amount due to land vendor	10,770	-	-	-
Amount due to subsidiaries	-	-	121,064	138,257
Others	2,971	3,887	6	27
	21,923	10,268	121,195	138,366
Non-Current				
Retention sum payable	10,277	-	-	-
Total trade and other payables	102,515	48,835	121,195	138,366
Add: Loans and borrowings (Note 16)	307,591	267,524	-	41
Total financial liabilities carried at amortised cost	410,106	316,359	121,195	138,407

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2012: 30 to 60 days).

The amount due to subsidiaries by the Company are non-trade in nature. These amounts are unsecured, non-interest bearing and are repayable on demand.

18. REVENUE

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Sale of development properties	96,828	82,907	-	-
Sale of inventories	2,467	159	-	-
Sale of building materials	-	1,868	-	1,868
Carpark operations	2,467	2,176	-	-
Interest income on deposits	97	237	97	237
Rental income from:				
Lease	1,087	1,046	-	-
Other	68	35	-	-
Dividend income from:				
Subsidiary	-	-	14,520	7,700
Equity investment, quoted in Malaysia	224	182	-	-
Management fees from subsidiaries	-	-	1,323	741
	103,238	88,610	15,940	10,546

19. COST OF SALES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Property development costs (Note 4(b))	74,519	54,742	-	-
Under/(over) provision of property development cost in prior years	7	(135)	-	-
Carpark operations	995	1,004	-	-
Cost of inventories	2,146	-	-	-
Cost of building materials	-	1,854	-	1,854
Others	-	180	-	-
	77,667	57,645	-	1,854

20. OTHER INCOME

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Administration charges	325	606	-	-
Bad debts recovered (Note 12)	58	52	-	-
Gain on disposal of property, plant and equipment	-	2	-	-
Gain on disposal of quoted investments	917	159	-	-
Gain on disposal of subsidiary	-	5	-	-
Miscellaneous income	12	193	-	-
Other interest income	3,278	3,416	-	-
Overdue interest receivable	25	3	-	-
Purchasers' deposit forfeited	44	49	-	-
Rental income	27	26	-	-
Reversal of impairment loss on:				
- other receivables	22	-	-	-
- property, plant and equipment	-	63	-	-
- investment property	939	306	-	-
- investment in subsidiaries	-	-	21,194	5,619
Unwinding of discount	565	-	-	-
	6,212	4,880	21,194	5,619

21. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Wages and salaries	6,324	6,216	1,632	1,569
Contributions to defined contribution plan	817	719	270	251
Social security contributions	35	27	2	2
Short term accumulating compensated absence	79	(48)	27	8
Other employee benefits	336	251	49	40
	7,591	7,165	1,980	1,870

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,249,500 (2012: RM1,896,000) and RM1,249,500 (2012: RM1,239,000) respectively as further disclosed in Note 22.

22. DIRECTORS' REMUNERATION

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Directors of the company:				
Executive directors' remuneration:				
Salaries and other emoluments	1,250	1,896	1,250	1,239
Non-executive directors' remuneration (Note 24):				
Fees	216	216	96	96
Total directors' remuneration	1,466	2,112	1,346	1,335

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 2013				
Executive				
Dato' Mustapha bin Buang	1,040	-	210	1,250
Non-executive				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas *	-	120	-	120
Dato' Mohamed Salleh bin Bajuri	-	48	-	48
Tan Siew Poh	-	48	-	48
	-	216	-	216
	1,040	216	210	1,466

22. DIRECTORS' REMUNERATION (CONT'D)

	Salary and other emoluments RM'000	Fees RM'000	Bonus RM'000	Total RM'000
At 31 March 2012				
Executive				
Dato' Mustapha bin Buang	1,029	-	210	1,239
Chuah Swee Guan * ^	657	-	-	657
	1,686	-	210	1,896
Non-executive				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas *	-	120	-	120
Dato' Mohamed Salleh bin Bajuri	-	48	-	48
Tan Siew Poh	-	48	-	48
	-	216	-	216
	1,686	216	210	2,112

* The above directors' remuneration was paid by a subsidiary.
^ The above director resigned during the financial year.

The number of directors of the Company whose total remuneration during the financial year fell within the following bands are analysed below:

	2013	2012
Executive directors:		
RM600,000 - RM700,000	-	1
RM750,001 - RM850,000	-	-
RM850,001 - RM900,000	-	-
RM1,050,001 - RM1,200,000	-	-
RM1,200,001 - RM1,250,000	1	1
Non-executive directors:		
Below RM50,000	2	2
RM100,001 - RM150,000	1	1

23. FINANCE COSTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expense on:				
Hire purchase	45	46	-	4
Bank borrowings	2,320	2,007	-	-
	2,365	2,053	-	4

24. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Employee benefit expenses (Note 21)	7,591	7,165	1,980	1,870
Non-executive directors' remuneration (Note 22)	216	216	96	96
Auditors' remuneration				
- statutory audit	154	143	35	35
- other services	7	7	7	7
Depreciation				
- property, plant and equipment (Note 3)	1,726	1,907	136	238
- investment properties (Note 5)	488	488	-	-
Property, plant and equipment written off	2	10	1	1
Impairment of:				
- quoted investments	628	243	199	79
- investment in subsidiaries	-	-	10,132	9,281
- investment in associate	125	250	125	250
- intangible asset (Note 6)	1,721	768	-	-
- other receivables (Note 12(b))	486	5,789	220	91
- property development cost (Note 4(b))	266	200	-	-
Loss on disposal of property, plant and equipment	-	28	-	-
Loss on disposal of subsidiary company	-	2,426	-	2,445
Rental of land and buildings	731	716	-	-

25. INCOME TAX EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Income tax:				
Current year tax expense	5,389	6,438	2,948	1,460
Under/(over) provision in prior years	576	(4)	465	-
	5,965	6,434	3,413	1,460
Deferred tax (Note 10):				
Relating to origination of temporary differences	(1,955)	(516)	(13)	11
Over provision in prior years	(15,279)	(13,806)	-	-
	(17,234)	(14,322)	(13)	11
Total income tax expense	(11,269)	(7,888)	3,400	1,471

Income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

25. INCOME TAX EXPENSE (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 2013 and 2012 are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit/(loss) before tax	6,291	7,786	23,793	(833)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	1,573	1,947	5,948	(208)
Income not subject to tax	(204)	(3,001)	(5,298)	(1,413)
Expenses not deductible for tax purposes	2,395	7,143	2,752	3,200
Utilisation of previously unrecognised tax losses	(511)	(579)	(463)	(108)
Utilisation of capital allowances	(3)	(2)	(4)	-
Deferred tax assets not recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	184	471	-	-
Deferred tax assets recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	-	(57)	-	-
Under/(over) provision of tax expense in prior years	576	(4)	465	-
Over provision of deferred tax in prior years	(15,279)	(13,806)	-	-
Tax expense for the year	(11,269)	(7,888)	3,400	1,471

Tax savings during the financial year arising from:

	Group	
	2013 RM'000	2012 RM'000
Utilisation of current year tax losses	21	-
Utilisation of tax losses brought forward from previous years	3,763	2,307

26. DISCONTINUED OPERATIONS

On 18 October 2011 and 25 August 2011, the Group disposed off its 100% equity interest in Selamat Ayer Puteh Co. Sdn. Bhd. and Levenue Property Management Sdn. Bhd. which were previously reported in the property investment and property management segments. The decision of disposing these two companies was in line with the Group's medium and long term goal to maintain its competitiveness, efficiency and bottom line, as these companies no longer fit into the Group structure and revised business plans.

26. DISCONTINUED OPERATIONS (CONT'D)

Income statements disclosure

The results of the companies disposed for the year ended 31 March 2013 are as follows:

	Group	
	2013 RM'000	2012 RM'000
Revenue	-	166
Cost of sales	-	(171)
Gross loss	-	(5)
Other income	-	4
Other expenses	-	(22)
Loss from discontinued operation, net of tax	-	(23)

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 parents by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group	
	2013	2012
Profit for the year attributable to owners of the parent (RM'000)	17,628	15,702
Add back: Loss from discontinued operation, net of tax, attributable to owners of the parent	-	23
Profit net of tax from continuing operation, net of tax, attributable to owners of the parent used in the computation of basic earnings per share	17,628	15,725
Weighted average number of ordinary shares in issue ('000)	975,315	975,315
Basic earnings per share attributable to ordinary equity holders of the Company (sen)	1.8	1.6

(b) Diluted

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares. There have been no other transactions involving ordinary shares since the reporting date and before the completion of these financial statements.

28. OPERATING LEASE COMMITMENT

(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.

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.

Future minimum rentals payable under non-cancellable operating lease at the reporting date are as follows:

	Group	
	2013 RM'000	2012 RM'000
Not later than 1 year	1,087	1,087
Later than 1 year but not later than 5 years	635	4,578
	1,722	5,665

28. OPERATING LEASE COMMITMENT (CONT'D)

(b) Group as lessee

The Group has entered into commercial leases with third parties for the rental of office premises. The leases have a tenure of 1 to 3 years with renewal option included in the contract.

Minimum lease payments recognised in income statement for the financial year ended 31 March 2013 amounted to RM731,000 (2012: RM716,000).

Future minimum rentals payable at the reporting date are as follows:

	Group	
	2013 RM'000	2012 RM'000
Not later than 1 year	899	363
Later than 1 year but not later than 5 years	703	55

29. CAPITAL COMMITMENTS

	Group	
	2013 RM'000	2012 RM'000
Capital expenditure		
Approved and contracted for:		
Acquisition of freehold land (Note 31)	15,761	15,761

30. CONTINGENT LIABILITIES

Upon adoption of FRS139, 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 financial impact of the guarantees is not material.

31. SIGNIFICANT AND SUBSEQUENT EVENT

Proposed acquisition by BH Builders Sdn. Bhd.

The Company had announced on 19 May 2004, the Proposed Acquisition of 91.367 acres of freehold land held under H.S. (D) 28646, PT 4021, Mukim of Semenyih, District of Hulu Langat, state of Selangor by BH Builders Sdn. Bhd. ("BH Builders"), a wholly-owned subsidiary of the Company, from Vee Seng Development Sdn. Bhd. for a total cash consideration of RM17,511,765. The completion of the Proposed Acquisition is subject to the conditions precedent, which stated that amongst others, the withdrawal or removal of the Private Caveats from the said land within eighteen (18) months from the date of the Sale and Purchase Agreement or such time as may be extended by BH Builders at its absolute discretion.

31. SIGNIFICANT AND SUBSEQUENT EVENT (CONT'D)

Proposed acquisition by BH Builders Sdn. Bhd. (cont'd)

The period for the withdrawal or removal of the Private Caveats was first extended on 18 November 2005 for a period of one (1) year to expire on 18 November 2006. Further extensions were made on 1 November 2006, 8 October 2007, 10 October 2008 and 2 October 2009 for another one year each.

On 12 October 2010, the Group had exercised its discretion to extend the time frame indefinitely for the private caveat to be withdrawn or removed until the acquisition takes place.

32. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	Group	
	2013 RM'000	2012 RM'000
Rental paid/payable to a company with common director, South Malaysia Industry Berhad	106	106
Sales of exterior shops by a related company to another related company	(20,782)	-

	Company	
	2013 RM'000	2012 RM'000
Management fees charged to subsidiaries	(1,323)	(741)
Gross dividend income from a subsidiary	(14,520)	(7,700)

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 22.

33. PRIOR YEAR ADJUSTMENTS

During the financial year, the Group and the Company made prior year adjustments relating to the following:

(i) misclassification of impairment of investment in associate of RM250,000 as share of results of associate. As the Company prepares consolidated financial statements, in accordance to FRS 128: Investment in Associates, the share of results of associate are to be taken up at the consolidated financial statements after any accumulated impairment loss up to the extent of its interest in the associate.

33. PRIOR YEAR ADJUSTMENTS (CONT'D)

(ii) foreign currency translation gain of RM48,000 in the foreign currency translation reserve should not be present in the Company level financial statements as the effect of the translation should only arise upon equity accounting of the investment in associate at the consolidated financial statements.

The presentation and classification of items in the current year's financial statements have been consistent with the previous financial year except that certain comparative amounts have been adjusted as a result of the prior year adjustment and restated to conform with the current year's presentation:

	Note	Previously stated RM'000	Adjustments RM'000	Restated RM'000
Group and Company				
Statement of comprehensive income				
Impairment on investment inassociate	24	-	(250)	(250)
Share of results of associate		(250)	250	-
Company				
Statement of financial position				
Investment in associate	8	114	11	125
Trade and other receivables	12	36,635	37	36,672
Foreign currency translation reserve	15	(48)	48	-

34. 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:

Group	2013 Carrying amount RM'000	2013 Fair value RM'000	2012 Carrying amount RM'000	2012 Fair value RM'000
Financial liabilities:				
Loans and borrowings (non-current)				
- Term loans	52,280	52,126	49,757	49,510
- Islamic financing	36,213	32,730	17,541	13,997
- Obligation under finance lease	646	645	694	692
- Medium term notes	148,564	147,530	197,698	195,159

34. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	12
Long term payables	17
Loans and borrowings (non-current)	16
Trade and other payables	17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either 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.

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; and

- 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 16).

34. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 31 December 2012, the Group and the Company held the following financial instruments carried at fair value in the statement of financial position:

	2013 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	7,131	7,131	-	-
Quoted shares outside Malaysia	17	17	-	-
Company				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,433	1,433	-	-
Quoted shares outside Malaysia	17	17	-	-

	2012 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	9,309	9,309	-	-
Quoted shares outside Malaysia	12	12	-	-
Company				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,632	1,632	-	-
Quoted shares outside Malaysia	12	12	-	-

During the reporting period ended 31 March 2013 and 31 March 2012, there were no 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 bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objectives are 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 loan.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 12.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group and the Company determine concentrations 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 is as follows:

Group	2013		2012	
	RM'000	% of total	RM'000	% of total
By business segments:				
Property development	45,405	99%	4,697	70%
Carpark operations	143	1%	131	2%
Trading of building materials	-	-	1,868	28%
	45,548	100%	6,696	100%

Company	2013		2012	
	RM'000	% of total	RM'000	% of total
By business segments:				
Trading of building materials	-	-	1,868	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's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 22.7% (2012: 0.7%) of the Group's loans and borrowings (Note 16) will mature in less than one year based on the carrying amount reflected in the financial statements.

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.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

2013	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables	92,238	10,842	103,080
Loans and borrowings	73,652	278,637	352,289
Total undiscounted financial liabilities	165,890	289,479	455,369
Company			
Financial liabilities:			
Trade and other payables, excluding financial guarantees	121,195	-	121,195
Total undiscounted financial liabilities	121,195	-	121,195

2012	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables	48,835	-	48,835
Loans and borrowings	2,753	312,750	315,503
Total undiscounted financial liabilities	51,588	312,750	364,338
Company			
Financial liabilities:			
Trade and other payables, excluding financial guarantees	138,366	-	138,366
Loans and borrowings	41	-	41
Total undiscounted financial liabilities*	138,407	-	138,407

* At the reporting date, the counterparty to the financial guarantees does 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 arises 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit/(loss) net of tax	5	(88)	-	(2)

(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 exposures arising from amount due from an associate that denominated in Indonesian Rupiah. The Company is also exposed to currency translation risk arising from its net investments in foreign operation.

The Company's exposure to market price 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 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 2013 and 2012.

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 cash and bank balances. Capital refers to equity attributable to owners.

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Loans and borrowings	16	307,591	267,524	-	41
Trade and other payables	17	102,515	48,835	121,195	138,366
Less: - Cash and cash equivalents	13	(76,095)	(176,870)	(1,050)	(2,579)
Net debt		334,011	139,489	120,145	135,828
Equity attributable to the owners of the parent, representing total capital		341,730	323,751	294,925	274,478
Capital and net debt		675,741	463,240	415,070	410,306
Gearing ratio		49%	30%	29%	33%

37. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four 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) Property investment - investment in properties

(iv) Carpark operations - operation of carpark

Except as indicated above, no operating segments has 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 2013 RM'000	Investment holding and others 2012 RM'000	Property development 2013 RM'000	Property development 2012 RM'000	Property investment 2013 RM'000	Property investment 2012 RM'000	Carpark operations 2013 RM'000	Carpark operations 2012 RM'000	Adjustments and eliminations 2013 RM'000	Adjustments and eliminations 2012 RM'000	Note	Consolidated 2013 RM'000	Consolidated 2012 RM'000
Revenue:													
External customers	322	2,287	99,295	83,066	1,154	1,081	2,467	2,176	-	-		103,238	88,610
Inter-segment	15,843	44,691	20,782	-	7	-	-	-	(36,632)	(44,691)	A	-	-
Total revenue	16,165	46,978	120,077	83,066	1,161	1,081	2,467	2,176	(36,632)	(44,691)		103,238	88,610
Results:													
Interest income	97	237	3,277	3,416	1	-	-	-	-	-		3,375	3,653
Dividend income	14,744	44,132	-	-	-	-	-	-	(14,520)	(43,950)		224	182
Depreciation	143	245	889	874	603	697	579	579	-	-		2,214	2,395
Other non-cash expenses	-	2,427	2	37	-	-	-	-	-	-	B	2	2,464
Impairment of assets	1,114	6,031	1,987	969	-	-	-	-	-	-	C	3,101	7,000
Segment (loss)/profit	(1,315)	(9,294)	5,561	16,045	1,152	443	893	592	-	-		6,291	7,786
Assets and liabilities:													
Additions to non-current assets	6	15	19,156	1,251	153,975	61,240	-	-	-	-		173,137	62,506
Segment assets	17,532	34,517	214,210	154,833	440,875	369,970	30,907	31,486	125,317	136,206	D	828,841	727,012
Segment liabilities	152	173	168,948	121,938	247,311	202,664	4,943	5,899	65,486	72,638	E	486,840	403,312

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 on consolidation.

B Other material non-cash expenses consist of the following items presented in the respective notes to the financial statements:

	Note	2013 RM'000	2012 RM'000
Loss on disposal of property, plant and equipment	24	-	28
Property, plant and equipment written off	24	2	10
Loss on disposal of subsidiary company	24	-	2,426
		2	2,464

C Impairment of assets consist of:

	Note	2013 RM'000	2012 RM'000
Impairment of property development costs	4(b)	266	200
Impairment of intangible asset	6	1,721	768
Impairment on quoted investment	24	628	243
Impairment on other receivables	24	486	5,789
		3,101	7,000

D The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Land held for property development	54,641	53,645
Intangible assets	21,453	23,174
Investment in associate	-	114
Property development cost	69,219	58,167
Trade and other receivables	17,652	-
Investment properties	(38,434)	-
Inventories	1,171	1,491
Tax recoverable	(385)	(385)
	125,317	136,206

37. SEGMENT INFORMATION (CONT'D)

Notes **Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd)**

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2013 RM'000	2012 RM'000
Deferred tax liability	65,486	72,638

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 2013 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total (accumulated losses)/retained earnings				
- Unrealised (accumulated losses)/ retained earnings	(11,051)	(10,867)	2	(11)
- Realised retained earnings/ (accumulated losses)	83,349	44,782	19,646	(734)
	72,298	33,915	19,648	(745)
Add : Consolidation adjustments	71,055	91,810	-	-
Total retained earnings/ (accumulated losses)	143,353	125,725	19,648	(745)

Location	Description	Existing Use	Tenure	Age Of Building	Area	Net Book Value RM'000	Acquisition/ Completion Date
Title No. TL 17533505 Kota Kinabalu, Sabah	Land	Investment property under construction / Property under development	Leasehold expires : 31/12/2076	N/A	15.45 acres	418,408	27/10/1997
H.S. (D) 279025, PTB 20500, Bandar Johor Bahru, Mukim Johor, Johor	Land	Property under development	Freehold	N/A	11.68 acres	69,001	23/3/2006
H.S. (D) 157186, PT 23762, Mukim Labu, Daerah Seremban, Negeri Sembilan	Land	Vacant	Leasehold expires : 9/11/2102	N/A	399.84 acres	54,000	23/3/2006
PT 298, HS (D) 39196 Mukim Bandar Kundang, Gombak, Selangor	Land	Vacant	Leasehold expires : 24/1/2101	N/A	49.97 acres	26,633	30/3/2002
Title No. TL 17540500 Kota Kinabalu, Sabah	Ground and basement carpark	Carpark operations	Leasehold Expires : 31/12/2080	5	114,039 sq. ft.	20,122	24/3/2008
H.S. (D) 153647, PT 43498 Mukim Sungai Buloh, Petaling, Selangor	Land	Land Held for Development	Leasehold Expires : 29/10/2100	N/A	6.47 acres	17,998	26/3/2013
PN 39178, Lot 63579 Mukim of Batu, Wilayah Persekutuan	Land	For Lease	Leasehold expires : 10/01/2087	N/A	6.23 acres	12,564	11/1/1988
PN 39176, Lot No. 63581 Mukim of Batu, Wilayah Persekutuan	Land	Property under development	Leasehold expires : 10/01/2111	N/A	6 acres	11,774	11/1/1988
PN 39177,Lot No. 63582 Mukim of Batu, Wilayah Persekutuan	Land	Property under development	Leasehold expires : 10/01/2087	N/A	3 acres	8,895	11/1/1988
Title No. TL 17528942, Kampung Karamunsing, Kota Kinabalu, Sabah	Land	Carpark operations	Leasehold expires : 21/01/2901	3	52,433 sq ft.	6,776	31/10/2010

ANALYSIS OF EQUITY SHAREHOLDINGS
As at 31 July 2013

Authorized Share Capital	:	RM1,500,000,000
Issued and paid-up capital	:	RM195,062,992
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	210	1.125	4,225	0.000
100 – 1,000	3,859	20.679	3,746,264	0.384
1,001 – 10,000	10,035	53.775	47,998,590	4.921
10,001 – 100,000	3,842	20.588	141,935,684	14.552
100,001 – 48,765,747	714	3.826	694,530,197	71.210
48,765,748 and above	1	0.005	87,100,000	8.930
Total	**18,661**	**100.000**	**975,314,960**	**100.000**

LIST OF THIRTY LARGEST SHAREHOLDERS/DEPOSITORS

	Name	No. of Shares Held	% of Issued Capital
1	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd For Mah Sau Cheong	87,100,000	8.930
2	Wong Chong Ngin	48,633,000	4.986
3	South Malaysia Industries Berhad	48,344,000	4.956
4	Jimmy Thomas @ James Abraham Thomas	48,063,000	4.927
5	Mah Sau Cheong	33,036,869	3.387
6	Dato' Mustapha Bin Buang	29,724,485	3.047
7	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	23,550,000	2.414
8	Bandar Sri Tujuh Sdn Bhd	21,000,000	2.153
9	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited	16,965,809	1.739
10	Seraya Kota Sdn Bhd	16,765,000	1.718
11	Puncak Darul Naim Sdn Bhd	11,553,200	1.184
12	ECML Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	11,500,000	1.179
13	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Ng Wai Yuan	11,499,100	1.179
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wee Hian @ Mah Siew Kung	10,500,000	1.076
15	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rozanita Binti Zainal Abidin	9,000,000	0.922
16	ECML Nominees (Tempatan) Sdn Bhd KKC for Kwan Chu Wah	7,349,855	0.753
17	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	6,627,900	0.679
18	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Pax Realty & Development Pte Ltd	6,619,000	0.678

LIST OF THIRTY LARGEST SHAREHOLDERS/DEPOSITORS (CONT'D)

	Name	No. of Shares Held	% of Issued Capital
19	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	6,468,000	0.663
20	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Siew Seong	5,240,000	0.537
21	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account-Arab-Malaysian Credit Berhad for Mah Sau Cheong	5,200,000	0.533
22	MP Factors Sdn Bhd	5,040,000	0.516
23	Mah Wee Hian @ Mah Siew Kung	5,008,900	0.513
24	Chin Lai Kuen	5,000,000	0.512
25	Leow Pek Fong @ Liew Pek Fong	4,575,000	0.469
26	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	4,549,900	0.466
27	Chee Sau Foong	4,452,000	0.456
28	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chuan Ming	3,993,400	0.409
29	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Wai Yuan	3,826,000	0.392
30	Lim Boon Seng	3,800,000	0.389
		504,984,418	51.762

SUBSTANTIAL SHAREHOLDERS
AS PER REGISTER OF SUBSTANTIAL SHAREHOLDER

	No. of Shares Held			
	Direct	%	Indirect	%
Mah Sau Cheong	166,854,869	17.11	*5,753,000	0.59

DIRECTORS' INTEREST IN SHARES

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	1,857,000	0.19	-	-
Dato' Mustapha Bin Buang	32,850,985	3.37	*800,000	0.08
Dato' Mohamed Salleh Bin Bajuri	-	-	-	-
Tan Siew Poh	850,436	0.09	-	-
Yu Tat Loong	-	-	-	-

Note:
* Deemed interest by virtue of his spouse.

NON-EXECUTIVE DIRECTORS' INTEREST IN ESOS

During the financial year, no options were granted to the Non-Executive Directors.

NOTICE IS HEREBY GIVEN that the Ninety-Fifth Annual General Meeting of the Company will be held at Ballroom 3, Level 1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 25 September 2013 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 2013 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 re-elect Mr Yu Tat Loong as Director of the Company who retire by rotation and being eligible offers himself for re-election in accordance with Article 123 of the Company's Articles of Association. **Resolution 2**

4. To re-appoint Messrs Ernst & Young as the Company's Auditors to hold office for the ensuing year and to authorize 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 2013.

   c) **Ordinary Resolution – Retention as Independent Non-Executive Director**
   (i) "THAT 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**

d) Special Resolution – Proposed Amendments to the Articles of Association **Resolution 8**
"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix A attached to the Agenda of the Annual Report 2013 be and is hereby approved."

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
3 September 2013

Notes:

1) **Members Entitled To Attend**
In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 September 2013 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 95th 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]) 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 authorized 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 authorized 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 authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized 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 authorized.

(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 FYE 31/3/2013

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.

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 for the financial year ended 31 March 2013.

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 2013.

(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

These proposed resolutions, if passed, will enable Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh Bin Bajuri to be retained as Independent Non-Executive Directors of the Company. Both Tan Sri Dato' Seri Hj Megat Najmuddin and Dato' Mohamed Salleh have served the Company as Independent Non-Executive Directors for a cumulative terms of more than nine (9) years and the Board of Directors recommended that they should be retained as Independent Non-Executive Directors based on the following criteria:

(i) They have confirmed and declared that they are independent directors as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

(ii) They do not have conflict of interest with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;

(iii) They are currently not sitting on the board of any other public and/or private companies that have transactions with the Company and its subsidiary companies; and

(iv) The Board is of the opinion that they are important independent directors of the Board in view of their many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and have provided invaluable contributions to the Board in their role as independent directors during their tenure.

(d) **Resolution 8 – Proposed Amendments to Articles of Association of the Company ("Proposed Amendments")**

The Proposed Amendments are streamlining the Company's Articles of Association to be aligned with the amendments to the Main Market Listing Requirements. Please refer to Appendix A of the 2013 Annual Report for details of the Proposed Amendments for more information.

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

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

In compliance with the directive of Bursa Securities dated 22 September 2011 in relation to disclosure and other obligations and corporate disclosure guide, the following amendments to the articles of the Company are proposed:

Article No.	Existing Article	Proposed Article	
1	WORDS MEANINGS	**WORDS**	**MEANINGS**
	New definition	**Exempt Authorized Nominee**	**An authorized nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.**
		Share Issuance Scheme	**A scheme involving a new issuance of shares to the employees.**
3C	Shares No Director (including non-Executive Directors) shall participate in an issue of shares or options to employees of the Company under a share option scheme unless approved by relevant authorities and the shareholders in general meetings have approved of the specific allotment to be made to such Director.	Shares No Director (including non-Executive Directors) shall participate in an issue of shares **or Share Issuance Scheme** or options to employees of the Company under a share option scheme unless approved by relevant authorities and the shareholders in general meetings have approved of the specific allotment to be made to such Director.	
96(a)	Proxy A member shall be entitled to appoint a person who is not a Member as his proxy. Section 149(1)(b) of the Act shall not apply to the Company.	Proxy A member shall be entitled to appoint a person who is not a Member as his proxy **and there shall be no restriction as to the qualification of the proxy**. Section 149(1)(b) of the Act shall not apply to the Company. **A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.**	

Article No.	Existing Article	Proposed Article
96(c)	Proportions of holding represented by each proxy to be specified Where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.	Proportions of holding represented by each proxy to be specified Where a member **or authorized nominee** appoints two proxies **or more proxies or where an exempt authorized nominee appoints more than two (2) proxies,** the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
96(d)	Appointment of at least one proxy Where a member is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.	Appointment of at least one proxy Where a member is an **exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorized Nominee may appoint in respect of each omnibus account it holds.**

PROXY FORM

95th 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 : 03-2078 1522
Fax: 03-2070 4818

I/We (Full Name) ______________________________ (NRIC No./ Co. 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-Fifth Annual General Meeting of the Company to be held at Ballroom 3, Level 1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 25 September 2013 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-elect Mr Yu Tat Loong as Director		
3	To re-elect Messrs Ernst & Young as Auditors		
4	To authorize the 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		
8	To approve the Proposed Amendments to the Articles of Association		

Signed this ________ day of ____________________ 2013

____
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 17 September 2013 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 95th 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]) 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 authorized 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 authorized 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 authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized 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 authorized.

(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.

Fold this flap for sealing

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AFFIX
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The Company Secretary

ASIAN PAC HOLDINGS BERHAD

(Company No. 129-T)

12th Floor, Menara SMI,
No. 6, Lorong P. Ramlee
50250 Kuala Lumpur

1st fold here

CONTACT US

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46350 PETALING JAYA
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