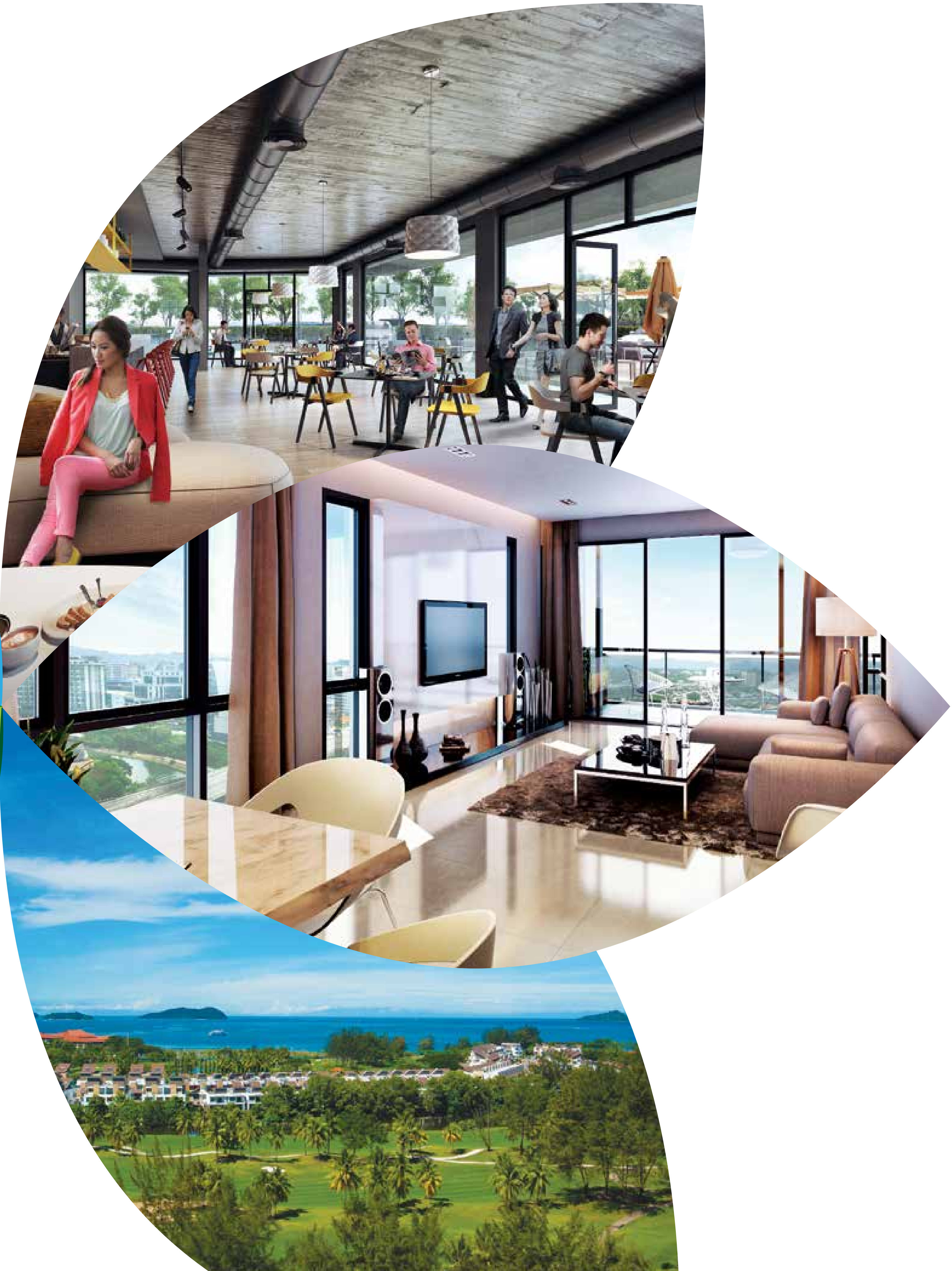
2017
ANNUAL REPORT

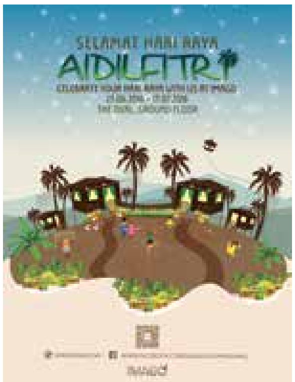
ASIAN PAC HOLDINGS BERHAD
(COMPANY NO. 129-T)

Contents



Event Highlights

Ever since Imago Mall was launched in 2015, various successful and intriguing events accompanied by eye-catching creative decorations and fun-filled activities were organised at The Oval Court, Ground Floor.



Hari Raya Celebration 2016

We took our shoppers back in time with nostalgic 'kampung' decorations and childhood games such as Congkak, Batu Seremban and Lontar Selipar as well as traditional dance performances as entertainment.

The Reformatory Halloween 2016

Taking horror to the next level, Imago Mall built an entire building course in the Centre Court within the time span of two weeks. The Reformatory - a haunted 'abandoned jail' building, had two routes with one exit and claimed a difference by leaving shoppers who went through the course shaken with surprises, shocks and scares.

Once Upon A Dream Christmas 2016

"Once upon a Dream" symbolizes wishes for a happy ending and Imago Mall had translated this dream into a winter-wonderland decors with a mighty White Christmas Ice Castle at The Oval Court that was complimented by colourful lightings and snowflakes fall every day.

There were also performances every day to entertain shoppers and activities for the kids such as 'Santa's Little Helper' and 'Merry Dash-Mas' where kids got a chance to bring back toys and cash vouchers if they won the games.

A Hail of Phoenix
Chinese New Year 2017

This Lunar New Year was celebrated by presenting 'A Hail of Phoenix' to its audience. Three different Phoenixes were decorated at The Oval Court with Gold, Red, and Rainbow colours to celebrate the Year of Rooster. The energy of the Phoenix was channeled through the vibrancy of the decorations that were seen in The Oval Court. There were activities during the weekends throughout the period with Lion and Dragon Dances in the mall.

Earth Hour 2017
#ChangeClimateChange

Earth Hour Shine a Light on Climate Action #ChangeClimateChange is a global movement where millions of people gather together to create an awareness about climate change by switching off their lights. Imago Mall participated with lights off from 8.30 pm to 9.30 pm on 25 March 2017.

Ascension
Imago Mall 2nd Anniversary 2017

Imago Mall celebrated its second anniversary with a theme called 'Ascension'. 'Ascension' means it is an act of rising to an important position or a higher level. The Centre Court was decorated with a throne that symbolizes the ascension towards the throne. We also believe that Imago Mall will ascends in terms of tenants, quality of services, engaging events and amongst our competitors.

Project Highlights

The Loft Residence
Kota Kinabalu's Gem

The Loft Residence is a centralised living space that invigorates the daily life with a tranquility feel and a panoramic scene that is combined with Signature Offices, Street Walk Boulevard with spaces that vibes of relaxation by creating an integrated lifestyle. The Loft Residence is being decked out with 3.5 acres of elevated Eco Deck that consists of state-of-the-art facilities such as gym, interactive playground, infinity pool and a covered link walkway.

Having mesmerising views of neighbouring Sutera Habour Marina Golf & Country Club and South China Sea, a life that is styled with lavish greeneries, consisting of 631 luxury units, being connected near to both the city centre and the sea, The Loft Residence is a gem in Kota Kinabalu which offers dynamic living with a prestigious lifestyle address.

Dataran Larkin

CenterPoint of Prominence

Dataran Larkin is located strategically at the centre of Johor's commercial heart making it the most sought after commercial hub. It is featured with revolutionary design that caters for utmost flexibility and entrepreneurial advantage to your business. This new landmark of commercial hub consists of 109 units of 2&3 storey shop offices that sits on 11.68 acres of prime freehold land in Johor Bahru.

Dataran Larkin shop office units are equipped with high end frameless glass to complete the look of a Premium Suites of Executive Retail façade. The walkway of the commercial hub is column-less making the business unit front having the most limelight to attract its demands. Established in a strategic location with great accessibility, Dataran Larkin pride itself by being centralized as it is next to Larkin Sentral which commands high traffic volumes of a catchment area of more than 100,000 households. Dataran Larkin is poised to become the new landmark of commercial hub in Johor Bahru.

Project Highlights

Fortune Perdana
Exclusivity Rediscovered

Sited at the edge of urban lifestyles and blissful surroundings, Fortune Perdana Lakeside seamlessly melds two worlds into one desirable living space. Fortune Perdana is the quintessential addition to the 'Fortune' series developments. It promises to be one of Kepong's esteemed developments that comprises of 36 units of shop office and 576 units of serviced residence look out on Kepong Metropolitan Park and Kepong's cityscape.

Fortune Perdana is surrounded by modern infrastructure, location is connected through various highways and roads while being the optimal space for comfort living with scenic greeneries with the Eco Deck and the views from Kepong Metropolitan Park.

Fortune Centra

Life Defined. Character Matters.

Fortune Centra is the first-of-its-kind development with design by an award-winning architect to bring in a different flair from other Fortune series and upgrading the image of Kepong. Making a bold step forward, introducing new concepts that features suitability for both multi-generational living as well as self-stay-plus-rental, where costs can be shared with a tenant without compromising on privacy and security.

Fortune Centra has 462 units comprising two-bedroom units, 3-bedroom flexi-suite and the 3-bedroom units. There are also 19 commercial units at the podium level. Being in the heart of Kepong with vibrant commercial activities around it and alongside great connectivity such as AEON Big and MRT2 stations are just walking distance away. Fortune Centra the new definition of living in Kepong that exudes character.

Upcoming Projects

The Zil @KK South

The Checkpoint of Tomorrow

The Zil @ KK South is a mixed development project that consists of both commercial and residential units over the course of 3 phases. The first phase will contain 40 units of shop office with functional design that will maximise the exposure as it sits at the front of the new Pan Borneo Highway. Phase 2 consists of 123 units of landed property while phase 3 will contain a high-rise condominium where it will complement the commercial hub of phase 1.

The Zil @ KK South seizes the undiscovered potential in KK South by bringing out the vibrancy that will shine in the future. Travel through a charming lifestyle of this hidden gem and grasp the credibility of aspiration. Naturally accessible via the Pan Borneo Highway, The Zil does not only fulfil your desires to a life-enchanting experience, but to create a future to those who believe in their dreams.

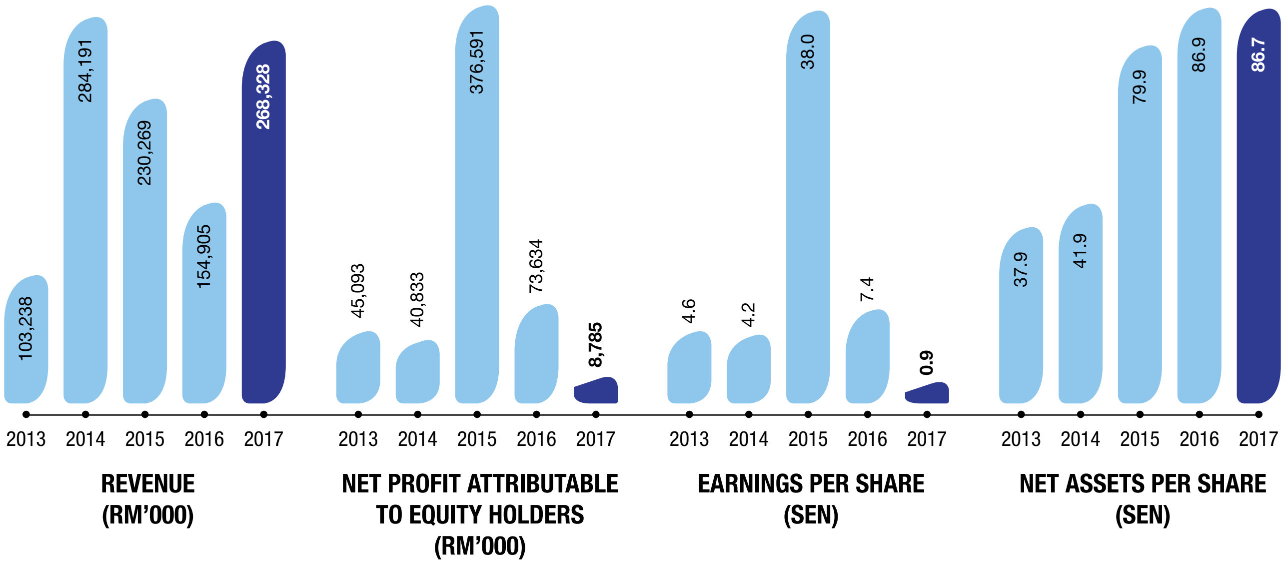
Damansara Damai

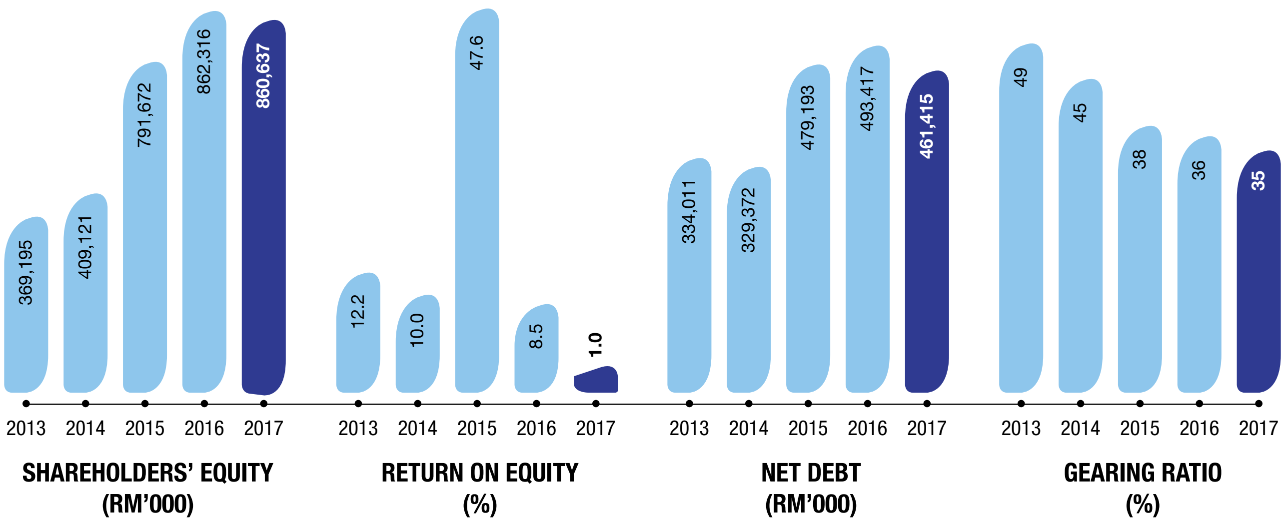
Moments to be Cherished

Situated strategically at Damansara North, Damansara Damai is offering a home with a robust lifestyle against luscious scenery. It is well-connected with major highways and arterial roads along the new thriving prime address.

Damansara Damai is on the north where it is in serenity and away from the city's bustle but it is still within the connectivity of Damansara. Damansara Damai is going to guarantee to be one of the major developments that will revolutionise the edge living in Damansara.

Financial Highlights





5 YEAR GROUP FINANCIAL HIGHLIGHTS Financial Years Ended 31 March	2013	2014	2015	2016	2017
Revenue (RM'000)	103,238	284,191	230,269	154,905	268,328
Net Profit Attributable to Equity Holders (RM'000)	45,093	40,833	376,591	73,634	8,817
Earning Per Share (Sen)	4.6	4.2	38.2	7.4	0.9
Net Assets Per Share (Sen)	37.9	41.9	79.9	86.9	86.7
Shareholders' Equity (RM'000)	369,195	409,121	791,672	862,316	860,637
Return on Equity (%)	12.2	10.0	47.6	8.5	1.0
Net Debt (RM'000) (Note 35, Page 156)	334,011	329,372	479,193	493,417	461,415
Gearing Ratio (%) (Note 35, Page 156)	49	45	38	36	35

Management Discussion and Analysis

BUSINESS AND STRATEGIES OVERVIEW

Asian Pac Holdings Berhad is principally involved in the holding of securities for investment purposes, provision of management services and trading of building material whilst our subsidiaries and associated companies are principally engaged in the provision of property investment and development, mall operations and car park operations. As the three activities are the core operations of the Group, value creation through enhancement of its assets value and improving efficiency against the backdrop of a challenging environment will be our focus going forward.

The primary objective of the property development is to increase land banks notwithstanding that the Group has approximately 540 acres of unencumbered land banks with a majority located in the outer skirts of the Klang Valley which are ready to be developed in the next 3-5 years However, as the majority of our lands are relatively sizeable, amongst others, such as Labu, Negeri Sembilan (400 acres), more suitable for town ship development, the timing of the launches would have to be considered in-depth under this current environment. Thus, whilst continuing to prepare and assessed the suitability of the products in the preparation of the master plans to unlock the values of these lands, our Group is also aggressively sourcing for lands which are ready to be developed in the short term for sustainable business and growth, whether vide acquisition or through joint ventures.

Aside from the above, the Group is also improving its marketing strategies to enhance projects presence and achieve higher sales of properties on the current projects. The challenging environment and increasing competition had cautioned the Group to defer some launches namely Damansara Damai and The Zil and to reconsider the types of products which will be more appealing to the target market segment notwithstanding that the Group has traditionally been strong in niche development of shops/offices/ retail (KK Times Square 1 and Karamunsing Capital) as well as upper to high end condominiums such as the Fortune series in Kepong, the Sutera Bukit Tunku and the Loft Residences (winner of the Asia Pacific Property Awards, 2016 for the Asian Pacific region) in Times Square 2 in Kota Kinabalu.

Dataran Larkin

Nevertheless, the Group will continue its effort on delivering quality products such as adopting workmanship quality assessment system that exceeds end user expectation and product design by combining the elements of simple and functional yet affordable in embracing the current economic condition.

The Group's largest investment property asset is the Imago Mall in Kota Kinabalu, Sabah, which commenced operation in March 2015. Being the first of a non-strata lease-only shopping mall in Sabah, Imago Mall which has achieved a high occupancy rate of 92% has attracted and is continuing to attract major international brands to set up their first outlets in Sabah. Simultaneously, brands which already have a presence in Sabah are consolidating their operations in the light of the weak retail market by relocating their outlets to Imago Mall. Capitalising on this niche position, the Group will continue to strive to achieve higher occupancy rate which invariably will reflect better recurring income.

Carpark operations in Times Square 1 (900 bays) and Karamunsing Capital (460 bays) which commenced operations 9 and 7 years ago respectively, continue to draw recurring income to the Group. This revenue was enhanced with the commencement of parking charges at Imago Mall car park during the financial year. As efficiency, is paramount, especially in the Mall, operations will continue to be more streamlined and automated as Auto Payment Machines have been successfully deployed at Imago Mall and Signature Office, KK Times Square alongside other upgrades. The Group is looking at investing approximately RM6.0 million to carry out such improvement and upgrading works to further improve accessibility and efficiency of the car parks.

FINANCIAL PERFORMANCE

For the financial year ended 31 March 2017, the Group achieved a revenue of RM268.3 million, an increase of RM113.4 million from the preceding year of RM154.9 million. The higher revenue contribution was due from the 3 core business units. Property development segment had contributed the highest revenue of RM214.3 million from the ongoing projects, namely Fortune Perdana, Dataran Larkin and from the sales of completed properties in 2017.

The Group however recorded profit before tax of RM14.7 million, a significant decrease of RM73.4 million as compared to RM88.1 million in the previous year. It was mainly due to lower fair value gain on investment properties amounting to RM9.4 million in 2017 as against RM103.1 million (net) in the previous financial year. By excluding the effect of fair value gain on investment properties, the Group's operational profit before tax in 2017 was RM5.3 million as compared to the previous year loss of RM15.0 million. The improvement was attributed to the higher revenue contribution from property development.

Financing cost of the Group has increased by RM4 million or 14.7% from previous year of RM27.2 million to RM31.2 million. The increase was mainly due to a full amortisation of borrowing cost of RM6.1 million in the current year as a result of the refinancing of a long term loan for a lower borrowing cost.

The liquidity of the Group has improved marginally where the Group's gearing ratio stood at 34.9% when comparing it to 36.4% in the previous year. Notwithstanding that, total bank borrowing increased by RM1.0 million from previous year to RM382.1 million.

Fortune Perdana

On 8 August 2016, the Group has undertaken a capital raising exercise via rights Issue of up to approximately RM99.3 million 5-years 3% irredeemable convertible unsecured loan stocks to be issued at nominal value of RM1 each ("ICULS") to the existing shareholders on the basis of 1 ICULS for every 10 ordinary shares held together with up to 198,512,922 free new detachable warrants ("Warrants") to be issued on the basis of 2 Warrants for each ICULS subscribed ("Rights Issue of ICULS with Warrants"). On 24 May 2017, the Rights Issue of ICULS with Warrants exercise was completed with an oversubscription of approximately 6.31%, with the ICULS and Warrants being listed on 31 May 2017. The proceeds will be utilised to part finance acquisition of land banks, pare down bank borrowings and working capital within a period of 3 to 24 months.

REVIEW OF OPERATING ACTIVITIES

Property Development

Property development continued to be the growth driver for revenue and earnings for the Group in 2017, representing 79.9% of the Group revenue. Correspondingly, the segmental profit was higher by 37.8% or RM5.6 million to RM20.4 million from RM14.8 million in the last financial year. The higher contribution was attributed to higher profit recognition at both Fortune Perdana @ Lakeside and Dataran Larkin which were at near completion as at 31 March 2017. In addition, Dataran Larkin has achieved a higher sales during the year. Fortune Centra, the newest Fortune Series, had a soft launch in December 2016 and construction work has commenced. However, the contribution for this project was minimal for the financial year 2017, although revenue and profit would be significant for the next year.

On going projects review:

An integrated mixed development of 36 units shop offices and 3 blocks of 576 units of serviced residence on a 6-acre leasehold land located in Kepong Entrepreneurs' Park. As at 31 March 2017, construction works were at near completion stage and will proceed for authorities' final inspection and approval thereafter. Delivery of vacant possession to purchasers is expected in June 2017.

Dataran Larkin, Johor Bahru

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

Phase 2 of Dataran Larkin consists of 30 units 3-storey premium boutique and showroom commercial suites. Sale has reached 84% during the year. As at 31 March 2017, all construction works have been completed and pending authorities' approval. Subsequently, the Group has completed the handover of vacant possession to purchasers in Q2 2017.

Fortune Centra, Kepong Kuala Lumpur

A mixed development of 19 units shop offices and 462 units of serviced residence on a 3-acre leasehold land located in Kepong Entrepreneurs' Park. This is the eighth project of the Fortune Series under Kepong Entrepreneurs' Park masterplan. Fortune Centra was officially launched in May 2017 and sales of the residential units has achieved 80% during the official launch. Construction work has commenced early this year and the development is expected to be completed by 2020. The Group is confident that this project will be one of the key contributor of revenue and profit for financial year in 2018.

The Zil @ KK South

A new 3 phases mixed development project undertaken on a 16.7 acres leasehold land located in the growth suburb of Kinarut, Kota Kinabalu, Sabah. Phase 1 is a retail commercial hub consisting 40 units of 3-storey retail shops. Phase 2 is a landed properties consisting 123 units of terrace houses and Phase 3 is currently planned for a high rise residential development.

Both Phase 1 and 2 are expected to be launched in Q1 2018 after due consideration of the soft property market in 2016 prolonging into 2017. The stringent financing requirements continue to pose a challenge to the sales as the impact of slow sales will result in holding of unsold stock units by the Group. The Group will monitor closely on the property market environment.

Damansara Damai

A high rise mixed development consists of 13 shoplot units and 520 condominium units on a 6.5 acre leasehold land in Damansara Damai, Selangor. The Group has deferred the sale launch in the last financial year and is conducting further market studies to refine the right product for the target market segment.

Mall Operations

Mall operations contributed RM42.7 million in terms of revenue, representing 15.9% of the Group's total revenue. In 2017, revenue increased by RM13.2 million, or approximately 44.7%, to RM42.7 million from previous year of RM29.5 million arising from an increase in occupancy rate of the mall. On the contrary, mall operations recorded a segment loss of RM2.1 million, a substantially lower in profit by RM68.9 million as compared to previous year profit of RM66.8 million mainly resulting from a higher fair value gain of RM80.0 million on investment property of the mall assets in the previous year. By excluding the effect of the fair value gain on investment properties of RM80.0 million, there was an improvement in the current year operating result by RM11 million from a loss of RM13.1 million in the previous year due largely to the increase in occupancy rate.

Carpark Operations

Car park operations contributed a revenue of RM6.3 million, representing 2.3% of the Group's revenue. Car park revenue had increased by RM3.9 million, or approximately 162.3%, to RM6.3 million and segment profit increased by RM2.8 million, or approximately 155.6%, to RM4.6 million, respectively. The increase was mainly due to commencement of parking charges at Imago Mall car park in May 2016 and revision to rates at Karamunsing Capital car park. The earning contribution from car park operations is sustainable through recurring parking fee, such as season parking and hourly based parking.

ANTICIPATED AND KNOWN RISKS

Land Bank

The Management is constantly on the lookout for suitable lands to grow our land banks for sustainable growth and profitability of the Group. However, the Group faces competition from other property developers in identifying and acquiring strategically located land banks at viable prices which demand had resulted in scarcity of such tracts of land in prime location. But nevertheless, upon completion of the Rights Issues of ICULS and Warrants, as well as the availability of undrawn financing facility, the Group has more than RM250 million available funds to expeditiously pursue and to compete with developers for the acquisition of such suitable land banks.

Market Risk

The current weak property market performance will largely affect the Group performance in property development. The measures on the stringent loan approval process coupled with loan-to-value ratio of 70% for 3rd home purchases imposed on the financial institutions; the high real property gain tax and removal of developer interest bearing scheme may adversely affect the demand for our Group properties. During the year, we have deferred one of the project sale launch and conducted further market studies in order to ensure that the right product is offered to the targeted market segment. In mitigating the risk, the Group has helped the potential purchasers by providing better customer services such as to understand their requirements and discussing them with the financiers so that turnaround time for a decision would be sped up. Meanwhile, the Group will continuously work with agents to exploit a larger group of prospects as well as to gain a better understanding of their ideal purchases.

Interest Rate Risk

Fluctuation in interest rate may also affect the demand for properties as higher interest rates may lead to an increase in the price of properties for prospective buyers as well as adverse impact on higher financial cost to our Group and thus may affect profitability. The Group is vigilant and will exercise prudent cost saving initiatives to mitigate or avoid any cost overrun.

Fortune Perdana

PROSPECT

The Malaysian economy is forecasted to grow moderately at 4.3%-4.8% in 2017 premised on the positive expectation of an improving global economy and the continued growth in domestic demand. Domestic demand will be the driving factor attributable to private consumption from wage growth and the increase in disposal income due to selected Government measures and higher global commodity prices.

Property Development

The prospect for the property market in Malaysia is expected to be soft in 2017, where the residential property subsector still remains highly resilient. The Group remains positive on the property market with the various property-related incentives from the Government and accommodative monetary policy. Despite the slowdown, we believe it is manageable given the right product, location, pricing target clientele and customer services. The Group will be focusing on marketing strategies to enhance project presence and higher sales. At the same time, acquiring new land banks for sustaining future growth and unlocking the value of existing land banks. The Group is committed to continue delivery of upcoming projects that creates value and enhances end user experience for our stakeholders with emphasis on time, cost and quality as our key driving principles.

Mall Operations

The performance of shopping complexes moderated with an average occupancy of 81.4% in Year 2016. Moving forward in Year 2017, it will be a challenging year for retail with new supplies of retail floor space estimated to be 18.0 million square feet. Regardless, the Group believes that Imago Mall will continue to remain on a steady growth path for the coming year as occupancy have reached 92% at the start of new financial year.

Its location in Kota Kinabalu, Sabah is also strongly supported by rising tourist arrivals where Q1 of Year 2017 saw an increase of almost 10%, with tourists from China accounting for 35% of foreign tourist arrivals in comparison with arrivals from rest of South East Asian countries at 22%. Sabah's tourism already had its best year in 2016 with an all-time high of 3.43 million tourist arrivals and RM7.25 billion tourism receipts, where international visitors showed a 15.4% increase with China being the major contributor at 51.8% increase from the year before.

Innovative and creative events and activities, such as "Hope Express" and the popular "Tourist Welcome Point", became important factors driving tourists and locals to the mall. Functional features such as "Baby Nursing Room" and "Family Washrooms" continue to add value to the mall. Imago Mall is the first to offer security escort services for lady shoppers from the mall to the car park in Kota Kinabalu. It further adds value to the mall as the Group strongly believes in providing a safe environment for the discerning shoppers. By considering all the above and emphasising still on the right trade and tenant mix, Imago Mall will be realigned to also target a strong tourist market to continue to remain one of the top malls in Sabah, bringing increasing revenue to the Group as occupancy increases and turnover rent increases.

Carpark Operations

The performance of car park management is believed to continue to improve as parking rates at Imago Mall will be revised after one successful year of implementing parking charges. Despite the challenging retail market, vehicular traffic in the car parks under the Group continue to remain stable, with each parking bay generating approximately RM141.8 per month on average in financial year 2017 as the properties in which the car parks are located remain commercially active and vibrant.

Looking forward, parking charges at Imago Mall will be revised upwards as the public becomes accustomed to paid parking, especially at Imago Mall. It is unlikely to see a significant revision, but it will bring in additional revenue despite the same number of car parking bays in the Group's register. Imago Mall car park is also projected to remain as the major contributor of car park revenue.

The Group will also continue to improve traffic flow at the car parks, such as creating a new egress to alleviate vehicular traffics, especially at Imago Mall and Signature Office KK Times Square, as these properties continue to become a major landmark in Kota Kinabalu and see increased vehicular traffic flow especially during festivities and weekends. Upgrading and improvement plans are being carried out at the car park and the Group is looking at investing approximately RM6.0 million in terms of capital expenditure to carry out such improvement and upgrading works to improve accessibility and efficiency of the car parks.

DIVIDEND POLICY

The Board of directors does not recommend any dividend for the financial year ended 31 March 2017. The Board of directors has not adopted a dividend payout policy.

Corporate Social Responsibility (“CSR”) and Sponsorship Report

HOPE EXPRESS

The Group has launched a charity initiative, called **“Hope Express”** in conjunction with the **“Once Upon A Dream”** Imago Mall event during Christmas in 2016. This charity campaign involves going on a train ride inside the mall. Instead of charging a fare to take the ride, the Group has decided to let the public donate the “fare”. The Group will then pass on 100% of the collections from the donation box to a charity organisation after every six months with the cost of operations to be borne entirely by the Group. In addition, staff of Imago Mall also made their own personal contributions to the train ride to show their support to this campaign.

With this campaign, the Group is hoping to create awareness of the less fortunate and bring hope to those who are in need of assistance. The train ride itself is a symbol of hope and to remind all of us to continue to dream in making the world a better place for everyone. The **“Hope Express”** pledged by the Group will continue to make dreams come true and contribute back to the local society. The first round of donations collected from the train ride will be given to Taman Didikan Kanak-Kanak Kurang Upaya (TDKKU), Sembulan. Below, kids from TDKKU took the maiden trip on board the **“Hope Express”** to officiate the campaign.

Despite the slow economic performance in 2016, the Group gives its continuous commitment towards the communities. The contributions that we have done this year are an on-going support to those who are in need. Near the end of 2016, we sponsored to meaningful organisations such as the Veteran of Fire & Rescue Association Malaysia’s welfare fund for the Widow, Education & Disable People. Further, our Group gave contributions to the Wilayah International Motofest 2017 which was held in conjunction with the Federal Territory Day 2017.

The Group sponsored the venue for the various events, amongst others, such as the 11th Sabah International Folklore 2016, Kian Kok Youth Orchestra, DBKK Cycling Marathon Booth, Blood Donation Drive and Booth For Awareness Walk – Stop! Unplanned Pregnancy Campaign.

The Group also provided venue for the Tian Jin Cultural Week & China Festival Film Preview organised by Consulate General of The People’s Republic of China in Kota Kinabalu, Sabah with the presence of Minister of Tourism, Culture and Environment Sabah, YB Datuk Seri Panglima Masidi Manjun.

Not forgetting a few events that the Group contributed in terms of venue sponsoring such as Sabah Beautex 2016, an event organised by Dreamforce Productions in aid of Cleft Lip & Palate Children in Sabah. Sabah Beautex 2016 was initialised to raise awareness on children born with Cleft Lip & Palate deficiencies under the project **"Clap 4 Joy"**. Sabah Minister of Community Development & Consumer Affairs, YB Datuk Hajjah Jainab and wife to TYT Head of State, YAB Toh Puan Datin Seri Panglima Hajjah Norlidah were present at the event.

Another notable event was the 50th Anniversary of Sabah Society for the Blind where a Charity Photoshoot was conducted and shoppers could register and donate to entitle them for a photoshoot session done by a renowned photographer, Louise Pang.

The Group also sponsored the venue for the East Malaysia Chinese Oldies Song Singing Competition and this event collected a total sum of RM887,500.00 which was donated to Sekolah SJKC Che Hwa, Kelombong to upgrade the school building.

The Group's Sports Club had taken the lead to strengthen understanding and relationship with the community by organising a trip to Rumah Penyayang Darul Ilmi Gombak (formerly known as Pondok Penyayang Raudhah) on 30th June 2016 to hand in donations to the Centre that provides shelter for the orphans, troubled children and teenagers, single mothers and the poor.

Another trip was also organised on 20th December 2016 to Special Children Society of Ampang (SCSOA) to give donations to the Centre that provides education which will enable children and adults with learning disabilities to live as an integral part of the society.

Corporate Information

BOARD OF DIRECTORS

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

Dato' Mustapha Bin Buang
(Managing Director)

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

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

Dr Yu Tat Loong
(Executive Director)

Ms Soon Dee Hwee
(Independent Non-Executive Director)
(Appointed on 23 January 2017)

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
Ms Soon Dee Hwee *(Appointed on 23 January 2017)*

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
Ms Soon Dee Hwee *(Appointed on 15 March 2017)*

AUDITORS

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

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No : 03-2783 9299
Fax No : 03-2783 9222

NOMINATION COMMITTEE

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

SECRETARIES

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

REGISTERED OFFICE

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

PRINCIPAL BANKERS

Affin Islamic Bank Berhad
Alliance Bank Malaysia Berhad
Kuwait Finance House (Malaysia) Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : ASIAPAC
Stock Code : 4057

Directors' Profile

TAN SRI DATO' SERI HJ MEGAT NAJMUDDIN BIN DATUK SERI DR HJ MEGAT KHAS, Malaysian, Male, Aged 73
Chairman/Independent Non-Executive Director

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

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

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

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

Tan Sri Dato' Seri Hj Megat Najmuddin also holds directorships in SEG International Berhad, Omesti Berhad and MajuPerak Holdings Berhad. He is the chairman of these three (3) listed entities.

Tan Sri Dato' Seri Hj Megat Najmuddin attended all the five (5) board meetings which were held in the financial year ended 31 March 2017.

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 five (5) years.

DATO' MUSTAPHA BIN BUANG, Malaysian, Male, Aged 69
Managing Director

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.

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

Dato' Mustapha attended all the five (5) board meetings which were held in the financial year ended 31 March 2017.

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 five (5) years.

DATO' MOHAMED SALLEH BIN BAJURI, Malaysian, Male, Aged 66
Independent Non-Executive Director

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

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

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

In the past, Dato' Salleh had served the society/body as follows:

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

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

Dato' Salleh attended three (3) board meetings which were held in the financial year ended 31 March 2017.

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 five (5) years.

MS TAN SIEW POH, Malaysian, Female, Aged 54
Non-Independent Non-Executive Director

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 Malaysian 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 five (5) board meetings which were held in the financial year ended 31 March 2017.

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 five (5) years.

DR YU TAT LOONG, Malaysian, Male, Aged 41
Executive Director

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

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

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

Dr Yu attended four (4) board meetings which were held in the financial year ended 31 March 2017.

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 five (5) years.

MS SOON DEE HWEE, Malaysian, Female, Aged 56
Independent Non-Executive Director

Ms Soon Dee Hwee was appointed to the Board of the Company as Independent Non-Executive Director on 23 January 2017. She is also a member of Audit and Risk Management Committee and Remuneration Committee of the Company.

Ms Soon is a Chartered Accountant and member of the Malaysian Institute of Accountants. She has more than 20 years of extensive experience in corporate finance where she had been attached to Bumiputra Merchant Bankers Berhad, Alliance Investment Bank Berhad and Hwang DBS Investment Bank Berhad. Prior to that she was in the auditing field attached to Messrs. Hanafiah Raslan & Mohd and subsequently Messrs. KPMG. She is currently the Senior Vice President of Hwang Capital (Malaysia) Berhad in charge of the Group's corporate affairs.

Presently, she is also a director of Prudential Assurance Malaysia Berhad and Bison Consolidated Berhad.

Ms Soon only attended one (1) board meeting which was held in the financial year ended 31 March 2017 as she was appointed in January 2017.

Ms Soon 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 five (5) years.

Key Senior Management's Profile

MR WOON CHIN VOON (DENNIS), Malaysian, Male, Aged 43
Chief Operating Officer

Mr Dennis Woon was appointed as Chief Operating Officer of the Company in June 2014.

Mr Dennis Woon first graduated with a B.Arts in Architecture from the University of Singapore before obtaining his Masters in Architecture from University of Glasgow, UK. He is a certified architect with the Singapore Board of Architects. He joined the real estate sector in Singapore and subsequently in Malaysia after practicing as an architect for many years in Singapore and China. He has vast experience in design, project development, project management and construction of real estate across various Southeast Asia countries and China.

MR WONG YEE KEAN (KEN), Malaysian, Male, Aged 44
Financial Controller

Mr Ken Wong is the Financial Controller, heading the Finance Division of the Group. He joined the Group in August 2010 as an Assistant General Manager in the Corporate Planning Division. He was later transferred to the current post in March 2014. He has over 10 years of professional experiences in corporate finance and advisory as well as financial accounting, which include debts restructuring, group reorganisation, mergers & acquisitions, equity and bond issues, distressed assets management, project evaluations and investigative audit for losses.

He is a member of the Malaysian Institute of Accountants, fellow member of the Association of Chartered Certified Accountants and a charterholder of Chartered Financial Analyst.

Note:

Save as disclose above, none of the Key Senior Management have:
(i) Family relationship with any Director and/or major shareholder of the Company;
(ii) Conflict of interest with the Company;
(iii) Conviction for offences within the past five (5) years; and
(iv) Any directorship in public companies and public listed companies.

Corporate Governance Statement

The Board of Directors of Asian Pac Holdings Berhad remains committed to maintaining the principles of corporate governance as set out in the Malaysian Code on Corporate Governance 2012 ("**MCCG 2012**" or "**the Code**"); in ensuring that good corporate governance practices are observed throughout the Group as a fundamental part of discharging its fiduciary duties to protect and enhance the stakeholders' values whilst ensuring the continuous and sustainable growth of the Group.

The Board is pleased to disclose below the application of the principles of good governance and the extent of the compliance with the best practices as prescribed by the Code throughout the financial year ended 31 March 2017.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and Management

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

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

- The Chairman is an Independent Non-Executive Director of the Company. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. He also acts as a facilitator of board meetings.

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

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

- The Non-Executive Directors provide the necessary balance of power and authority to the Board with a mix of industry-specific knowledge and broad business and commercial experience. They ensure that all proposals by the Management are fully deliberated and examined, after taking into account the interest of shareholders and stakeholders.

1.2 Board Roles and Responsibilities

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

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

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

The Board conducted a quarterly review of the annual budget against the actual performance for the year to date. The Board reviewed the sustainability, effectiveness and implementation status of the FYE 2017, and provided guidance and input to Management, taking into consideration the developments in the market and economy. In its review, the Board also discussed strategic implementation processes, identifying the internal and external factors which had supported various achievements in the past, or will constitute future challenges for Management. The Board also gave feedback on focus areas, key initiatives and roadmap in planning for the following year's budget.

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

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

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

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

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

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

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

(d) Succession planning

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

Training and development programs have been planned and are being implemented towards developing potential successors for the identified Senior Management positions.

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

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

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

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

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

The roles of the Internal Auditor which amongst other are:

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

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

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

1.3 Code of Ethics and implementation

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

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

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

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

1.4 Sustainability of Business

The Group recognises the importance of sustainability and its increasing impact to the business and thus, is committed to understand and implement sustainable practices and explore the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders as well as economic success.

Community Welfare

The Group supports activities for the betterment of the community in which it operates mainly in the form of contributions to approve welfare organizations and other charitable foundations. Therefore, as part of our corporate social responsibility activities, the Sports Club of the Group had organized trips to visit Pondok Penyayang Raudah and Tamil Methodist Church, Ampang on 30 June 2016 and 20 December 2016 respectively. Activities such as singing, handicraft and colouring session were held with the special kids at the center in addition to donations for essential daily items.

Employee Welfare

Employees are viewed as a source of strength to the Group. Employees are sent for regular trainings to ensure that they are kept abreast with the latest developments in their respective fields. During the financial year under review, the Group had organized several in-house training programmes title "New Strata and Housing Development Laws", "Microsoft Excel 2013 (Intermediate and Advance)" as well as 4-day seminar on "Enterprise Risk Management - Driving Organizational Sustainability, Agility and Resilience". We also recognize employees who served the Group with "Long Service Awards" in the form of cash in appreciation of their contribution and loyalty to the Group.

1.5 Access to information and advice

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

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

The Chairman of the Board Committees namely the ARMC, Remuneration Committee and Nomination Committee, brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees.

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

1.6 Qualified and competent Company Secretaries

The Company Secretaries are suitably qualified and competent, as they are members of the professional bodies prescribed by the Minister and are qualified under Section 235(2) of the Companies Act 2016. The key roles of the Company Secretaries are to provide unhindered advice and services to the Directors, as and when the need arises to enhance the effective functioning of the Board and to ensure regulatory compliance. The Company Secretaries update the Board on any changes or amendments to the Companies Act, Bursa Securities Listing Requirements and other relevant regulatory requirements.

On a quarterly basis, the Company Secretaries serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the securities of the Company in accordance with Chapter 14 of the Bursa Securities Listing Requirements.

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

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

1.7 Board Charter

The Board Charter which outline the Board's roles and responsibilities was adopted by the Board on 25 May 2016 and is available on the Company's website, www.asianpac.com.my.

The Board will periodically review and update the Board Charter in accordance with the needs of the Company and new regulations that may have an impact on the discharge of the Board's responsibilities in ensuring its effectiveness and consistency with the Board's objectives.

PRINCIPLE 2 : STRENGTHEN COMPOSITION

2.1 Nomination Committee

The Nomination Committee ("NC") is empowered by the Board through clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection and evaluation of Directors. The NC assesses the effectiveness of the Board as a whole and each of the Board Committees as well as the contribution of each individual Director, including Independent Non-Executive Director, Managing Director and Executive Director on an annual basis. All assessments and evaluations carried out by the NC in discharging their duties are documented in the minutes of meetings.

During the financial year under review, the NC met two (2) times where all members attended the meetings. On 28 November 2016, the NC assessed and evaluated a candidate, namely Ms Soon Dee Hwee ("Ms Soon") where the NC considered the required mixed of skills, experience and professional experience. Ms Soon, having fulfil the criteria of selection and also the definition of independence, met the expectation of the NC, hence, she was recommended to the Board for the appointment as Independent Non-Executive Director of the Company with effect from 23 January 2017. On the same date, she also became a member of the Audit and Risk Management Committee of the Company.

The summarized works carried out by the NC were as follow:

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

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

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

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

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

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

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

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

2.2 Develop, maintain and review criteria for recruitment

(a) Selection criteria for recruitment of Directors

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

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

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

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

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

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

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

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

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

Pursuant to Article 123 of the Company's Articles of Association, the directors appointed either to fill casual vacancy or in addition to the existing Directors shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are retire by rotation at that meeting.

In May 2017, upon recommendation by the NC, the following directors were retired in accordance with the respective Articles and shall be eligible for re-election:

(i) Dr. Yu Tat Loong and Ms Tan Siew Poh - pursuant to Article 115 of the Articles of Association of the Company; and

(ii) Ms Soon Dee Hwee - pursuant to Article 123 of the Articles of Association of the Company.

Dr. Yu Tat Loong, Ms Tan Siew Poh and Ms Soon Dee Hwee had expressed their intention to seek for re-election at the 99th AGM.

With the coming into force of the Companies Act 2016 on 31 January 2017, there is no age limit for directors. Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas whose term of office will end at the conclusion of the 99th AGM and he has offered himself for re-appointment. The NC had also assessed the contribution of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and recommended to the Board for his re-appointment. The Board recommended to the shareholders for consideration at this 99th AGM the re-appointment of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas as Director of the Company and he shall be subject to retirement by rotation at later date.

(d) Gender Diversity Policy

The Company acknowledges the recommendation of new MCCG to have at least 30% women directors on Board. Currently, the Board has reached 33.33% of women participation.

The NC, upon its recent assessment carried out, is satisfied that the current boardroom diversity is adequate for its purpose and has the appropriate blend of gender and age.

2.3 Remuneration Committee

(a) Responsibilities of Remuneration Committee ("RC")

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

(b) Remuneration Policy and Procedures

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

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

The determination of the remuneration package of the Non-Executive Directors is a matter for the Board as a whole following the relevant recommendation made by the RC. In the recent Remuneration Meeting held in May 2017, the Directors' Fees for Non-Executive Directors of the Company, which was adjusted since 2008 was discussed. The Board had endorsed the Remuneration Committee's recommendation to increase the Directors' Fees effective from 29 May 2017, payable to Non-Executive Directors for the financial year ending 31 March 2018 and the revised fee is subject to the approval of the shareholders at the forthcoming AGM. The Board also approved a meeting allowance of RM1,000.00 per meeting day, be accorded to the Non-Executive Directors, based on actual attendance.

During the financial year ended 31 March 2017, there was no meeting held. Instead, two (2) circular resolutions were passed by all members of the RC, to review and recommend the bonus and increment of the MD and ED to the Board for approval.

The aggregate Directors' Remuneration paid or payable to the Directors of the Company and the Group for the financial year ended 31 March 2017 is categorized into the following components:

Company	**Executive Directors RM'000**	**Non-Executive Directors RM'000**	**Total RM'000**
Fees	-	105	105
Salaries and other emoluments	1,481	-	1,481
Bonus	186	-	186
Group			
Fees	-	225	225
Salaries and other emoluments	2,727	-	2,727
Bonus	334	-	334

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

	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM100,001 - RM150,000	-	1
RM1,000,001 - RM1,500,000	1	-
RM1,500,001 - RM2,000,000	1	-

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

PRINCIPLE 3: REINFORCE INDEPENDENCE

3.1 Board Assessment of its Independence Directors

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

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

Base on the assessment conducted for the financial year ended 31 March 2017, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and are free from any business or other relationship which could interfere with the exercise of independent judgement.

3.2 Tenure of Independent Directors

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

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

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

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

As mentioned above, both Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh bin Bajuri had served the Board for more than nine (9) years and they had obtained shareholders' approval at the last AGM held on 30 August 2016 to retain as Independent Non-Executive Director of the Company notwithstanding their tenure of Independent Directors exceeded the stipulated terms.

The Board via the NC had conducted an annual performance evaluation and assessments for the year 2017. The NC was satisfied that Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dato' Mohamed Salleh bin Bajuri had remained independent and were justified that they have performed their duty diligently, exercise due care and in the best interest of the Company and have provided independent and objective judgement, broader views and balanced assessments to the proposals from the Management with their diverse experience and expertise.

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

3.4 Separation of position of the Chairman and MD and ED

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

3.5 Board Composition

The Board presently consists of six (6) members; comprising a Managing Director, an Executive Director, three (3) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. The current Board fulfills the prescribed requirements for one-third (1/3) of the membership of the Board to be Independent Board Members. Collectively, the Board is helmed by effective and experienced directors comprising individuals with caliber and credibility from diverse professional backgrounds with a wealth of experience, skills and expertise. The Directors together with a team set the values and standards of the Company and ensure that the Group's business is properly managed to safeguard the Group's assets and shareholders' investment. The Independent Non-Executive Directors provide check and balance for the effective functioning of the Board.

Independent Non-Executive Chairman

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

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

PRINCIPLE 4: FOSTER COMMITMENT

4.1 Time Commitment

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

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

Currently, all the Directors of the Company do not hold more than five (5) directorships in public listed companies including the Company.

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. All the Directors except Ms Soon Dee Hwee (appointed on 23 January 2017), had attended more than 50% of the attendance as required by Bursa Securities Listing Requirements. Their meeting attendance at Board and ARMC Meetings is evidenced by the attendance record set out in the following table:

	Number of Meetings Attended/Held	
Name of Directors	**Board Meetings**	**ARMC Meetings**
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	5/5	5/5
Dato' Mustapha Bin Buang	5/5	-
Dato' Mohamed Salleh Bin Bajuri	3/5	4/5
Ms Tan Siew Poh	5/5	5/5
Dr Yu Tat Loong	4/5	-
Ms Soon Dee Hwee *(Appointed on 23 January 2017)*	1/5	1/5

In the intervals between Board Meetings, for exceptional matters requiring urgent Board decisions, the Boards' decision are obtained via circular resolutions to which sufficient information is attached to facilitate the Board in making informed decisions.

Protocol for the appointment of Directors

The NC has the responsibility to identify and select potential new Directors and to make recommendations to the Board for the appointment of Directors. The NC reviews candidates for appointment as Directors based on the following criteria:-

- qualifications;
- skills and competence;
- functional knowledge;
- experience;
- character;
- gender diversity;
- integrity and professionalism;
- time commitment; and
- in the case of the candidates for the position of the Independent Non-Executive Directors, whether the test of independence under Bursa Securities Listing Requirement is satisfied.

In its review of the candidates, the NC would also consider the overall composition of the Board and the combination of skills of existing Directors to ensure the selected candidate would help to close any possible gaps in the Board. The recommendation of the NC will be submitted to the Board for its consideration and approval.

During the financial year under review, one (1) new Director is being appointed to the Board of the Company namely, Ms Soon Dee Hwee.

4.2 Directors' Training

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

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

For the financial year under review, the Directors have attended trainings which covered a range of topics which provided the Directors with updates on business trends and management, risk management, corporate governance and tax. These trainings and updates provide the Directors with continuous education and enhancement of their knowledge and skills in discharging their responsibilities as directors of the Company. Among the training programmes attended by the Directors during the financial year ended 31 March 2017 were as follows:

Name of Director	Title	Organizer	Date
Tan Sri Dato' Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	Corporate Governance and Collaboration Solutions for Boards and Senior Executives	Diligent Corporation	24 May 2016
	Petronas Board Excellence: Best Practices for Board Excellence Programme	Petronas	3 August 2016
	Petronas Board Strategic Away Training Days	Petronas	12-13 August 2016
	Khazanah Megatrend Forum 2016	Khazanah Malaysia	26-27 September 2016
	MICG's Seminar on "Chairman" Roles	Malaysia Institute of Corporate Governance ("**MICG**")	28 September 2016
	Training on Sustainability Reporting for Listed Issuers	In House Training – Asian Pac Holdings Berhad	12 October 2016
	Giving Talk at MOGEC Networking Lunch & Talk	Malaysian Oil & Gas Engineering Council	7 December 2016
	Petronas Board Strategic Away Training Days	Petronas	22-24 January 2017

Name of Director	Title	Organizer	Date
Dato' Mustapha Bin Buang	Training on Sustainability Reporting for Listed Issuers	In House Training – Asian Pac Holdings Berhad	12 October 2016
Dato' Mohamed Salleh Bin Bajuri	Nomination Committee Programme – Part 2	Bursa Malaysia Securities Berhad	11 April 2016
	Training on Sustainability Reporting for Listed Issuers	In House Training – Asian Pac Holdings Berhad	12 October 2016
	Governance and Integrity	In House Training – Eden Inc. Berhad	19 December 2016
	Sustainability Engagement Series for Directors/Chief Executive Officer	Bursa Malaysia Securities Berhad	13 March 2017
Ms Tan Siew Poh	Amendments to Bursa's Listing Requirements – How to rise up to meet those challenges"	MICG	1 June 2016
	New Strata & Housing Development Laws	In House Training – Asian Pac Holdings Berhad	15 August 2016
	Training on Sustainability Reporting for Listed Issuers	In House Training – Asian Pac Holdings Berhad	12 October 2016
	Revised Auditor Reporting Standards	MICG	8 December 2016
Dr Yu Tat Loong	Training on Sustainability Reporting for Listed Issuers	In House Training – Asian Pac Holdings Berhad	12 October 2016

All directors are also provided with updates from time to time in areas such as corporate governance practices, relevant legislation and regulations. The Company Secretaries have periodically informed the Directors' of the availability of appropriate courses, conferences, seminars and the Directors are encouraged to attend such training at the Company's expenses.

Following the implementation of the new Companies Act 2016 and the recent release of the MCCG on 31 January 2017 and 26 April 2017 respectively, the Company had organized an in-house training for the Board and Senior Management, scheduled to be held on 11 July 2017.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable Financial Reporting

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

In respect of the financial statements for the financial year ended 31 March 2017, the Directors have:
- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensure that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept and disclosed with reasonable accuracy of the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have also taken necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group, to prevent and detect fraud as well as other irregularities.

5.2 Assessment of Suitability and Independence of External Auditors

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

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

The ARMC considered the non-audit services provided by the External Auditors during the financial year ended 31 March 2017 and concluded that the provision of these services did not compromise External Auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the External Auditors.

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

During the financial period, the ARMC had assessed the independence of Messrs. Ernst & Young as External Auditors of the Company. The ARMC was satisfied with their performance, technical competency and fulfilment of criteria of independent and recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming 99th AGM of the Company.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

6.1 Risk Management Framework

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

Recognising the importance of having risk management processes and practices, the Board has established a RMWC, which is chaired by the Executive Director, to oversee, identify, evaluate, control, monitor and report on the critical risks faced by the Group on an on going basis, including remedial measures to be taken to address the risks vis-à-vis the risk parameters of the Group to ARMC. The Chairman of the RMWC reports to the ARMC and brief the Board on its activities and findings. During the financial year under review, there was one (1) meeting held.

6.2 Internal Audit Function

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

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

The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control and the ARMC Report on pages 47 to 49 of this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

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

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

7.2 Information technology for effective dissemination of information

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

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

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage shareholder participation at general meetings

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

The Notice of AGM is despatched at least twenty one (21) days together with the Annual Report prior to the date of the meeting which is also advertised in the press and released via Bursa Link. All resolutions passed by the shareholders at the last AGM held on 30 August 2016 were voted by poll.

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

8.2 Poll Voting

With the amendments to the Bursa Securities Listing Requirements which took effect from 1 July 2016, all resolutions set out in the Notice of general meetings shall be voted by poll.

Poll voting reflects shareholders' view in a fairer and more accurate manner by ensuring that every vote is recognized, in accordance with the principle of "one share one vote". The practice thus enforces greater shareholder rights and allows shareholders who appoint the Chairman of the meeting as their proxy to have their votes properly counted in the fulfillment of their voting rights.

All the resolutions to be tabled at the forthcoming 99th AGM will be voted by poll. The Company will appoint the poll administrator to conduct the polling process and an independent scrutineer to oversee the polling process for the upcoming 99th AGM of the Company.

8.3 Effective Communication and proactive engagements

At the 98th AGM of the Company held on 30 August 2016, all five (5) Directors were present to engage with the shareholders of the Company personally and proactively. During the AGM, the Chairman had invited shareholders to raise questions. The shareholders had actively taken the opportunity to enquire and seek clarification on the Group's activities and performance of the Group. The Directors and Senior Management responded to all the questions accordingly and provided clarification as required by the shareholders.

This statement is reviewed and approved by the Board of Directors' Meeting held on 3 July 2017.

Additional Compliance Information

Utilisation of Proceeds from Corporate Proposal

The Company had raised RM99,256,461 cash ("**Proceeds**") via its Renounceable Rights Issue of up to RM99,256,461 nominal value of 5-year 3% Irredeemable Convertible Unsecured Loan Stocks ("**ICULS**") at 100% of its nominal value of RM1.00 each in Asian Pac Holdings Berhad ("**Asian Pac**") on the basis of 1 ICULS for every 10 existing ordinary shares in Asian Pac, together with up to 198,512,922 free new detachable warrants ("**Warrants**") on the basis of 2 Warrants for each ICULS subscribed ("**Rights Issue**"). The Rights Issue exercise was completed on 31 May 2017. The Company will utilise the Proceeds in the manner as disclosed in the Abridged Prospectus of the Company dated 28 April 2017.

The exemption granted to Mr. Mah Sau Cheong and person acting in concert with him namely, Chin Lai Kuen ("PAC") from the obligation to undertake a mandatory take-over offer for all the ordinary Asian Pac shares, convertible securities and new Asian Pac shares to be issued pursuant to the conversion of ICULS and/or the exercise of the Warrants not held by Mr. Mah Sau Cheong or his PAC ("Exemption")

Pursuant to the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions, the Company would like to disclose the following:

1. The details of the Exemption granted, including the duration for which the Exemption has been granted.

On 26 January 2017, Mr. Mah Sau Cheong and his spouse, Ms. Chin Lai Kuen had submitted an application to the Securities Commission ("**SC**") for the Exemption from the obligation to undertake a mandatory take-over offer for all the ordinary shares of RM0.20 each in Asian Pac, convertible securities and new Asian Pac Shares to be issued pursuant to the conversion of ICULS and/or the exercise of the Warrants not held by Mr. Mah Sau Cheong and his spouse, Ms. Chin Lai Kuen, pursuant to Section 219 of the Capital Market and Services Act 2007 ("**CMSA**") and Paragraph 4.08 (1)(C) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued on 15 August 2016.

On 14 February 2017, the SC had granted the approval on the Exemption and the duration for the Exemption granted is from 26 May 2017 to 25 May 2022.

2. The number and percentage of voting shares or voting rights and the conversion or subscription rights or options in Asian Pac held by Mr. Mah Sau Cheong and Ms. Chin Lai Kuen as at latest practicable date prior to the disclosure are as below:

	As at 10 July 2017			
	No. of Asian Pac Shares	% of Issued Capital	No. of ICULS	No. of Warrants
Mah Sau Cheong	182,068,669	18.20	58,800,411	117,600,822
Chin Lai Kuen	5,260,000	0.53	-	-
Total	**187,328,669**	**18.73**	**58,800,411**	**117,600,822**

3. The maximum potential voting shares or voting rights of Mr. Mah Sau Cheong and Ms. Chin Lai Kuen in Asian Pac, if only Mr. Mah Sau Cheong and Ms. Chin Lai Kuen (but not other holders) exercise the conversion or subscription rights or options in full are as below:

	Maximum Potential	
	No. of Asian Pac Shares	%
Mah Sau Cheong	593,671,546	36.96
Chin Lai Kuen	5,260,000	0.33
Total	**598,931,546**	**37.29**

Material Contracts Involving Directors', Chief Executive or Major Shareholders' Interest

The Company and its subsidiaries did not enter into any material contracts which involved the interests of the Directors, Chief Executive who is not a Director or major shareholders during the financial year.

Non-Audit Fee

During the financial year ended 31 March 2017, the amounts of the audit and non-audit fees paid by the Company and the Group to the External Auditors are as follows:

	Group (RM)	Company (RM)
Audit Fees	333,000	55,000
Non-Audit Fees	7,000	7,000

Audit and Risk Management Committee Report

COMPOSITION

The Audit and Risk Management Committee ("**ARMC**") comprises four (4) members, all of whom are Non-Executive Directors, three are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director. The members for the financial year under review are as follow:

Chairman

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

Members

Dato' Mohamed Salleh Bin Bajuri	Independent Non-Executive Director
Ms Soon Dee Hwee *(Appointed on 23 January 2017)*	Independent Non-Executive Director
Ms Tan Siew Poh	Non-Independent Non-Executive Director

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

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

ATTENDANCE

During the financial year, the ARMC convened five (5) meetings which were attended by all members, except Dato' Mohamed Salleh bin Bajuri who attended 4 out of 5 meetings whereas Ms Soon, attended 1 meeting as she was appointed on 23 January 2017. These meetings were also attended by the Internal Auditor, Group Accountant and the Financial Controller. The details of the members' attendance records are shown in the Corporate Governance Statement.

MEETINGS AND MINUTES

In assisting the Board to effectively discharge its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls, ARMC meetings are held not less than four (4) times a year and are also attended by Managing Director and Executive Director, representatives from Finance Department and Head of Internal Audit. The External Auditors, Ernst & Young ("**EY**") were invited to attend three (3) meetings where their audit plan including areas of concern and matters related to audit were presented to the ARMC for review and recommendation for the Board's approval and adoption.

The Chairman of the ARMC would engage on a continuous basis with the senior managements such as the Managing Director, Executive Director, Chief Operating Officer and the Financial Controller in order to be kept informed of matters affecting the Group.

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

SUMMARY OF ACTIVITIES

Pursuant to the terms of reference of the ARMC, the following activities were carried out by the Committee during the financial year ended 31 March 2017 ("**FYE 2017**") in the discharge of its duties and responsibilities:-

i) Financial Reporting

The ARMC had reviewed the Group's unaudited quarterly financial results for the first, second, third and fourth quarter of the FYE 31 March 2017 on 29 August 2016, 28 November 2016, 22 February 2017 and 29 May 2017 respectively. On 3 July 2017, the ARMC reviewed the draft annual audited Financial Statements for FYE 2017.

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

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

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

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

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

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

(f) the Audited Financial Statements and Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for FYE 2017.

The ARMC recommended the above mentioned unaudited quarterly financial results and annual audited financial statements at each subsequent Board Meetings for approval and to be released to Bursa Securities.

ii) External Auditors

On 22 February 2017, the ARMC reviewed the 2017 Audit Plan, presented by EY which amongst others encompassed:

(a) the detailed terms of the EY's responsibilities and the affirmation of their independence as External Auditors, the engagement team, risk assessment, areas of audit emphasis for the financial year and additional disclosures in the auditors' report in line with the new and amended international standards on auditing including disclosures on Key Audit Matters ("**KAMs**");

(b) the list of services which comprised the audit services and recurring non-audit service. The recurring non-audit service was the annual review of the Statement of Risk Management and Internal Control. The ARMC was satisfied that they were not likely to neither create any conflict of interest nor impair the independence and objectivity of the External Auditors; and

(c) the EY's scope of work and reasonableness of their audit and non-audit fees. ARMC took note of the fees hike proposed by EY as well as the rationale of the same. The ARMC decided to defer the approval for the proposed audit fees pending further reviewed and discussed by the Management. The ARMC had on 3 July 2017 approved the revised audit fees for the FYE 2017.

On 29 May 2017, EY presented the revised format of the audited Financial Statements of the Group and of the Company for the FYE 31 March 2017 in accordance with the new reporting standard of the International Standards on Auditing and guided the ARMC through the various changes of the said report which amongst others are the KAMs, basis for opinion which includes EY's affirmative statement and fulfilment of ethical responsibilities, information other than the financial statements and auditors' report, directors' responsibilities in relation to going concern and etc.

On 3 July 2017, EY had presented the report pertaining to the matters arising from the audit for the FYE 31 March 2017 to ARMC. The ARMC noted that:

a) EY had completed their audit in accordance with their Audit Planning Memorandum;
b) No fraud was identified and the financial statements were free of material misstatement; and
c) EY would issue an unqualified opinion on the financial statements of the Group.

On the same day, the ARMC held a private meeting with EY without the presence of the Management after deliberating the abovesaid report. ARMC was informed that EY has received full cooperation from the Management and staff and had unrestricted access to senior management in the performance of their audit.

The ARMC reviewed EY's written affirmation of its independence to act as the Company's external auditors in accordance with the independent requirements set out in the Bye-Laws (On Professional Ethics, Conduct and Practice) for the Professional Accountants of Malaysian Institute of Accountants.

After having deliberated on the finalised Audited Financial Statements for the FYE 31 March 2017, the ARMC recommended the same to the Board for approval.

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

The ARMC noted that the non-audit fees for service rendered to the Group by EY for the FYE 31 March 2017 amounted to RM7,000.

iii) Internal Audit

The ARMC had on 29 May 2017 reviewed and approved the Internal Audit Plan for the financial year ending 31 March 2018 to ensure adequacy of scope, coverage and resources required to perform audits for the identified auditable areas.

The Internal Auditor had on 25 May 2016, 29 August 2016, 28 November 2016 and 22 February 2017 presented the Internal Audit Reports and Internal Audit Progress Reports on the following departments:

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

The ARMC reviewed the Internal Audit Reports prepared by the Internal Audit Department which highlighted the audit issues and recommendations as well as the Management's responses thereto. ARMC also discussed with the Management on actions to be taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports. The ARMC also monitored and reviewed the progress of the agreed corrective actions on audit findings to ensure all audit issues are resolved within the agreed stipulated period.

iv) Related Party Transactions

Related party transactions entered into by the Company and its subsidiaries on a quarterly basis, covering the nature and amount of the transactions were reviewed. This is to ensure that related party transactions are undertaken on an arm's length basis, on normal commercial terms and on terms that are not more favourable to the related parties than those generally available to the non-related parties.

v) Risk Management

The Group had approved the Risk Management Framework on 25 November 2015. The Risk Management Framework encompasses risk assessment, communication and consulting, risk monitoring and risk review.

The ARMC had reviewed the risk registers for all the divisions of the Group through a meeting held on 25 May 2016 where the ARMC provided guidance on the action plans to address the identified risks and reported to the Board thereon.

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

vi) Others

The Statement on Risk Management and Internal Control for publication in the Company's annual report was also reviewed.

INTERNAL AUDIT FUNCTION/ACTIVITIES

The Group's internal audit function is performed in-house. The Internal Audit Department ("**IAD**") of the Group was established to assist the Board of Directors and the ARMC 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 ARMC, and it is the responsibilities of the IAD to provide the ARMC with independent and objective reports on the state of internal controls of various business operating units within the Group and the extent of compliance with the Group's policies and procedures as well as relevant statutory requirements. The reports are presented to the ARMC for review, deliberation and approval.

During the financial year, the following activities were carried out by the IAD:
- Prepared annual internal audit plan for FY2017 for approval by the ARMC;
- Completed eighteen (18) audit assignments, comprising thirteen (13) fresh audits, four (4) follow-up audits and one (1) special audit requested by Senior Management;
- Issued eighteen (18) audit reports to the ARMC and made forty-six (46) recommendations arising from the completed audits;
- Updated the Internal Audit Charter for approval by the ARMC;
- Reported to the ARMC on a yearly basis on the achievement of the audit plan;
- Reviewed related party transactions entered into by the Company and its subsidiaries on a quarterly basis; and
- Reviewed the Statement on Risk Management and Internal Control for publication in the Company's annual report.

The total cost incurred from the internal audit function in respect of the FYE 31 March 2017 was RM305,935.00.

Statement on Risk Management and Internal Control

INTRODUCTION

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

BOARD RESPONSIBILITY

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

In line with the Board's responsibilities, the Board has:

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

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

RISK MANAGEMENT

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

Risk Management Working Committee

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

Risk Identification

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

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

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

Risk Evaluation

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

Risk Treatment

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

Risk Monitoring

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

Risk Management Framework

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

INTERNAL AUDIT FUNCTION

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

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

INTERNAL CONTROL

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

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

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

c) The Group has established three lines of defense in managing risks routinely on a daily basis in the following manner:
   - First line of defense by Management and employees
   - Second line of defense by the oversight functions
   - Third line of defense by the internal auditors

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

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

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

g) The Group Managing Director meets with the senior management regularly to conduct credit reviews, monitor receivables, progress of legal cases and formulates credit procedures and policies.

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

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

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

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

This statement is reviewed and approved by the Board of Directors in the meeting dated 3 July 2017. The external auditors have reviewed this statement pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

The external auditors have reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

CONCLUSION

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

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

Financial Contents

Directors' Report

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 2017.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	8,785	14,291
Profit/(loss) attributable to:		
Owners of the parent	8,817	14,291
Non-controlling interests	(32)	-
	8,785	14,291

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

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

DIVIDENDS

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

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

DIRECTORS

The directors of the Company in office since the beginning of the financial year to 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
Dr. Yu Tat Loong*
Soon Dee Hwee (Appointed on 23 January 2017)

* Directors of the Company and its subsidiaries.

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Mah Sau Cheong
Mah Siew Hoon
Lokman Bin Zakaria
Darwishah bin Osman
Abdul Molok bin Abu Bakar
Abdul Aziz bin Maarof

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under Asian Pac Holdings Berhad's ("APHB") Employee Share Option Scheme ("ESOS") as disclosed in Note 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 a full-time employee of the Company and related corporations as shown in Notes 21 and 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, particulars of deemed interests of Directors of the Company and its subsidiary companies who held office at the end of the financial year, in shares of the Company and its related corporations were as follows:

	I------------- Number of APHB ordinary shares --------------I			
	1 April 2016	Acquired	Sold	31 March 2017
Directors of the Company				
Direct interest:				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	-	194,800	-	194,800
Dato' Mustapha bin Buang	32,850,985	-	-	32,850,985
Dato' Mohamed Salleh bin Bajuri	500,000	-	-	500,000
Tan Siew Poh	2,188	-	-	2,188
Indirect interest:				
Dato' Mustapha bin Buang*	800,000	-	-	800,000
Director of the subsidiary				
Direct interest:				
Mah Sau Cheong	182,068,669	-	-	182,068,669
Indirect interest:				
Mah Sau Cheong*	5,260,000	-	-	5,260,000

* Deemed interested through the shares held by his spouse.

	Number of options pursuant to APHB's ESOS I---------------------- over ordinary shares --------------------I			
	1 April 2016	Exercised	Expired	31 March 2017
Directors of the Company				
Direct interest:				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	3,150,000	-	(3,150,000)	-
Dato' Mustapha bin Buang	1,697,500	-	(1,697,500)	-
Dato' Mohamed Salleh bin Bajuri	2,150,000	-	(2,150,000)	-
Tan Siew Poh	2,100,000	-	(2,100,000)	-
Dr. Yu Tat Loong	3,500,000	-	(3,500,000)	-

DIRECTORS' INTERESTS (CONT'D.)

According to the register of directors' shareholdings, particulars of deemed interests of Directors of the Company and its subsidiary companies who held office at the end of the financial year, in shares of the Company and its related corporations were as follows: (cont'd.)

	Number of ordinary shares in Tekad Intisari Sdn. Bhd.			
	1 April 2016	Acquired	Sold	31 March 2017
Directors of the subsidiary				
Darwishah bin Osman	12	-	-	12
Abdul Aziz bin Maarof	13	-	-	13

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

EMPLOYEE SHARE OPTION SCHEME

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

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

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

The tenure of the ESOS expired on 12 April 2016.

OTHER STATUTORY INFORMATION

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

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

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

OTHER STATUTORY INFORMATION (CONT'D.)

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

(i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(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 EVENTS

Significant and subsequent events are disclosed in Note 31 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors' remuneration is disclosed in Note 24 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young during or since the financial year.

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 10 July 2017.

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

Dato' Mustapha bin Buang
Managing Director

Statement by Directors

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

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 64 to 159 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 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 2017 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 to the financial statements on page 160 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 10 July 2017.

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

Dato' Mustapha bin Buang
Managing Director

Statutory Declaration

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

I, Wong Yee Kean, being the officer primarily responsible for the financial management of Asian Pac Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 64 to 160 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Wong Yee Kean at Kuala
Lumpur in the Federal Territory on
10 July 2017

Wong Yee Kean

Before me,
No. W 538
Woon Mee Chin
Commission for Oaths
Kuala Lumpur

Independent Auditors' Report

to the Members of Asian Pac Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asian Pac Holdings Berhad and its subsidiaries, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 159.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditors' responsibilities* for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Key Risk	Our Audit Response
Valuation of investment properties	***Audit procedures over valuation of investment properties***
(Refer to Note 2.4(g) and Note 5 to the financial statements)	
As at 31 March 2017, the carrying value of the Group's investment properties carried at fair value amounted to RM1,270 million which represents 79% of the Group's total assets. The Group adopts fair value model for its investment properties. When estimating the fair value of investment properties, the objective is to estimate the price that would be received from the sale of the investment property in an orderly transaction between market participants at the reporting date under current market conditions. In addition, the fair value should reflect, among other things, rental income from current leases and other assumptions that market participants would use when pricing the investment property under current market conditions, which are highly judgmental. Accordingly, we consider this to be an area of audit focus.	Our audit procedures focused on the valuations performed by firms of independent valuers, which included amongst others the following procedures: We considered the objectivity, independence and expertise of the firms of independent valuers; We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; As part of our evaluations of the fair values of investment properties, we had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models; and We also assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Key Risk	Our Audit Response
Revenue and cost of sales from property development activities	***Audit procedures over revenue and cost of sales from property development activities***
(Refer to Note 2.4(h)(ii), Note 18 and Note 19 to the financial statements)	
A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 March 2017, property development revenue of RM195 million and cost of sales of RM163 million accounted for approximately 73% and 82% of the Group's revenue and cost of sales respectively. The Group uses the percentage-of-completion method in accounting for these property development contracts. We identified revenue and cost of sales from property development activities as areas requiring audit focus as significant management's judgment and estimates are involved in estimating the estimated total property development costs which is used to determine the percentage of completion and gross profit margin of the property development activities undertaken by the Group.	We obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost, profit margin and percentage-of-completion of the property development activities; For significant property development phase, we read the sale and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions; We evaluated the assumptions applied in estimating the total property development cost for the property development projects by examining documentary evidence such as letters of award issued to contractors to support the total budgeted costs. We also considered the historical accuracy of management's forecasts for the similar property development projects in evaluating the estimated total property development costs; We evaluated the determination of percentage-of-completion by examining supporting evidence such as contractors' progress claims and suppliers' invoices; and We observed the progress of the property development phases by performing site visit and examining physical progress reports. We also discussed the status of on-going property development phases with management, finance personnel and project officials.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Group's 2017 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The Group's 2017 Annual Report is expected to be made available to us after the date of our auditors' report.

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

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

Responsibilities of directors and those charged with governance for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 to the financial statements on page 160 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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.

OTHER MATTERS

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

Ernst & Young
AF: 0039
Chartered Accountants

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

Kuala Lumpur, Malaysia
10 July 2017

Statements of Financial Position
As at 31 March 2017

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Assets					
Non-current assets					
Property, plant and equipment	3	9,557	11,135	262	387
Land held for property development	4(a)	54,613	54,373	-	-
Investment properties	5	1,269,902	1,260,502	-	-
Intangible asset	6	695	828	-	-
Investments in subsidiaries	7	-	-	433,222	454,858
Investment in an associate	8	-	-	-	-
Available-for-sale investments	9	4,878	3,867	1,614	1,212
Prepayment		6,637	-	-	-
Deferred tax assets	10	56	1,223	-	-
		1,346,338	1,331,928	435,098	456,457
Current assets					
Property development costs	4(b)	78,256	90,993	-	-
Inventories of completed properties	11	31,077	47,672	-	-
Trade and other receivables	12	25,265	57,823	40,579	35,891
Accrued billings in respect of property development costs		33,059	20,451	-	-
Accrued income		4,497	8,033	6	4
Prepayment		1,942	440	67	37
Tax recoverable		2,614	5,583	343	106
Short term deposits	13	15,784	13,682	-	-
Cash and cash equivalents	13	62,775	55,932	7,544	5,161
		255,269	300,609	48,539	41,199
Total assets		1,601,607	1,632,537	483,637	497,656

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	14	202,064	198,513	202,064	198,513
Share premium	14	-	3,551	-	3,551
Other reserves	15	1,226	3,334	78,411	81,300
Retained earnings		657,347	656,918	151,893	134,311
		860,637	862,316	432,368	417,675
Non-controlling interests		(120)	233	-	-
Total equity		860,517	862,549	432,368	417,675
Non-current liabilities					
Deferred tax liabilities	10	196,355	198,969	5	2
Trade and other payables	17	27,445	23,086	-	-
Loans and borrowings	16	272,452	264,233	154	266
		496,252	486,288	159	268
Current liabilities					
Loans and borrowings	16	109,687	116,828	50,112	50,108
Trade and other payables	17	130,390	158,884	998	29,605
Prepayment from tenants		699	699	-	-
Progress billings in respect of property development costs		1,980	3,968	-	-
Tax payable		2,082	3,321	-	-
		244,838	283,700	51,110	79,713
Total liabilities		741,090	769,988	51,269	79,981
Total equity and liabilities		1,601,607	1,632,537	483,637	497,656

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

Statements of Profit or Loss

For the year ended 31 March 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Revenue	18	268,328	154,905	57,879	6,853
Cost of sales	19	(199,497)	(116,595)	(2,957)	(3,561)
Gross profit		68,831	38,310	54,922	3,292
Other income	20	12,561	128,021	-	10,961
Employee benefits expense	21	(16,793)	(15,900)	(2,587)	(2,601)
Depreciation		(2,353)	(2,385)	(130)	(131)
Other expenses		(16,365)	(32,760)	(34,245)	(6,646)
Operating profit		45,881	115,286	17,960	4,875
Finance costs	23	(31,188)	(27,210)	(3,903)	(3,946)
Profit before tax	24	14,693	88,076	14,057	929
Income tax (expense)/benefit	25	(5,908)	(14,465)	234	(694)
Profit for the year		8,785	73,611	14,291	235
Profit/(loss) attributable to:					
Owners of the parent		8,817	73,634	14,291	235
Non-controlling interests	7(d)	(32)	(23)	-	-
		8,785	73,611	14,291	235
Earnings per share attributable to owners of the parent (sen per share):					
Basic	26(a)	0.9	7.4		
Diluted	26(b)	0.9	7.4		

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

Statements of Other Comprehensive Income

For the year ended 31 March 2017

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit for the year	8,785	73,611	14,291	235
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods (net of tax):				
Fair value gain/(loss) on available-for-sale investments	1,183	(324)	402	(43)
Total comprehensive income for the year	9,968	73,287	14,693	192
Total comprehensive income/(loss) attributable to:				
Owners of the parent	10,000	73,310	14,693	192
Non-controlling interests	(32)	(23)	-	-
	9,968	73,287	14,693	192

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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

Group

	Attributable to owners of the parent						
	Non-distributable			Distributable			
	Share capital RM'000 (Note 14)	Share premium RM'000 (Note 14)	Other reserves RM'000 (Note 15)	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000 (Note 7)	Total equity RM'000
At 31 March 2017							
At 1 April 2016	198,513	3,551	3,334	656,918	862,316	233	862,549
Total comprehensive income/(loss) for the year	-	-	1,183	8,817	10,000	(32)	9,968
Expiry of ESOS	-	-	(3,291)	3,291	-	-	-
Acquisition of non-controlling interest in a subsidiary (Note 7(a))	-	-	-	(11,679)	(11,679)	(321)	(12,000)
Effect of transition to no-par value regime	3,551	(3,551)	-	-	-	-	-
At 31 March 2017	202,064	-	1,226	657,347	860,637	(120)	860,517

Group

	Attributable to owners of the parent						
	Non-distributable			Distributable			
	Share capital RM'000 (Note 14)	Share premium RM'000 (Note 14)	Other reserves RM'000 (Note 15)	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000 (Note 7)	Total equity RM'000
At 31 March 2016							
At 1 April 2015	198,205	3,427	3,778	586,262	791,672	256	791,928
Total comprehensive (loss)/income for the year	-	-	(324)	73,634	73,310	(23)	73,287
Dividends paid for the financial year ended 31 March 2016 (Note 27)	-	-	-	(2,978)	(2,978)	-	(2,978)
Issue of ordinary shares pursuant to ESOS exercised	308	124	(120)	-	312	-	312
At 31 March 2016	198,513	3,551	3,334	656,918	862,316	233	862,549

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

Statement of Changes in Equity
For the year ended 31 March 2017

Company	I-------------- Non-distributable	--------------	--------------I	Distributable	
	Share capital RM'000 (Note 14)	Share premium RM'000 (Note 14)	Other reserves RM'000 (Note 15)	Retained earnings RM'000	Total equity RM'000
At 31 March 2017					
At 1 April 2016	198,513	3,551	81,300	134,311	417,675
Total comprehensive income for the year	-	-	402	14,291	14,693
Expiry of ESOS	-	-	(3,291)	3,291	-
Effect of transition to no-par value regime	3,551	(3,551)	-	-	-
At 31 March 2017	202,064	-	78,411	151,893	432,368
At 31 March 2016					
At 1 April 2015	198,205	3,427	81,463	137,054	420,149
Total comprehensive (loss)/income for the year	-	-	(43)	235	192
Dividends paid for the financial year ended 31 March 2016 (Note 27)	-	-	-	(2,978)	(2,978)
Issue of ordinary shares pursuant to ESOS exercised	308	124	(120)	-	312
At 31 March 2016	198,513	3,551	81,300	134,311	417,675

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

Statements of Cash Flows

For the year ended 31 March 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash flows from operating activities					
Profit before tax		14,693	88,076	14,057	929
Adjustments for:					
Bad debts recovered	12(b), 20	(6)	(58)	-	-
Depreciation of property, plant and equipment	3, 24	2,353	2,385	130	131
Net gain on changes in fair value of investment properties	5, 20, 24	(9,400)	(103,115)	-	-
Gain on fair value adjustments of financial assets at fair value through profit or loss	20	-	(95)	-	(41)
Gain in disposal of quoted investments	20	(167)	-	-	-
Impairment on:					
- quoted investments	24	-	364	-	119
- investment in subsidiaries	24	-	-	33,636	5,766
- intangible asset	6, 24	133	692	-	-
- other receivables	12(b), 24	80	529	-	-
Loss on disposal of property, plant and equipment	24	-	3	-	-
Property, plant and equipment written off	24	2	53	-	-
Reversal of impairment loss on:					
- investment in subsidiaries	7, 20	-	-	-	(10,920)
Unwinding of discount	20	-	(1,438)	-	-
Interest expense	23	31,188	27,210	3,903	3,946
Interest income	18, 20	(1,443)	(1,751)	(131)	(372)
Dividend income	18	(9)	(10)	(52,000)	-
Operating profit/(loss) before working capital changes		37,424	12,845	(405)	(442)

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash flows from operating activities (cont'd.)					
Changes in working capital:					
Decrease in property development costs		12,497	6,819	-	-
Decrease/(Increase) in trade and other receivables		22,643	(2,760)	13,287	(14,804)
Decrease/(increase) in inventories		16,595	(23,889)	-	-
(Decrease)/increase in trade and other payables		(27,244)	(650)	(1,921)	1,995
Changes in subsidiaries balances		-	-	(44,693)	(8,694)
Cash generated from/(used in) operations		61,915	(7,635)	(33,732)	(21,945)
Interest received		130	384	130	384
Dividend received		-	-	52,000	-
Taxes paid		(5,625)	(8,145)	-	-
Net cash generated from/(used in) operating activities		56,420	(15,396)	18,398	(21,561)
Cash flows from investing activities					
Interest received		1,330	1,379	-	-
Dividend received		-	10	-	-
Placement of short term deposits		(2,102)	-	-	-
Subscription in capital of a subsidiary company		-	-	-	(500)
Purchase of property, plant and equipment		(777)	(3,654)	(5)	(22)
Acquisition of non-controlling interest		(12,000)	-	(12,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss		-	11,941	-	2,084
Proceeds from disposal of quoted investments		339	-	-	-
Proceeds from government grant		-	15,251	-	-
Net cash (used in)/generated from investing activities		(13,210)	24,927	(12,005)	1,562

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash flows from financing activities					
Net repayment of hire purchase payables		(423)	(533)	(109)	(105)
Proceeds from issuance of shares - ESOS		-	312	-	312
Drawdown of loans		250,000	52,152	-	-
Repayment of term loans		(263,240)	(48,487)	-	-
Dividend paid		-	(2,978)	-	(2,978)
Interest paid		(22,704)	(25,948)	(3,901)	(3,946)
Net cash used in financing activities		(36,367)	(25,482)	(4,010)	(6,717)
Net increase/(decrease) in cash and cash equivalents		6,843	(15,951)	2,383	(26,716)
Cash and cash equivalents at beginning of year		55,932	71,883	5,161	31,877
Cash and cash equivalents at end of year	13	62,775	55,932	7,544	5,161

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

1. CORPORATE INFORMATION

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 July 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These set of financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 2016 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 2016 as described fully in Note 2.2.

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

2.2 Changes in accounting policies

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

On 1 April 2016, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2016.

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

On 1 April 2016, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2016. (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016

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

Annual Improvements to FRSs 2012 – 2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. These amendments do not have a significant impact on the Group's and the Company's financial statements.

Standards	Descriptions
FRS 5 Non-current Assets Held for Sale and Discontinued Operations	The amendment to FRS 5 clarifies that changing from one disposal method to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in FRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment did not have any impact on the Group and the Company.
FRS 7 Financial Instruments: Disclosures	The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in FRS 7 in order to assess whether the disclosures are required. In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report. This amendment did not have any impact on the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

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

Standards	Descriptions
FRS 119 Employee Benefits	The amendment to FRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment did not have any impact on the Group and the Company.
FRS 134 Interim Financial Reporting	FRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (such as in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

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

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

Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell. The Group does not have any biological assets and thus this is not relevant to the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

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

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

These amendments do not have any impact on the Group's consolidated financial statements as there has been no interest acquired in a joint operation during the year.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. These amendments do not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 101: Disclosure Initiatives

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

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

The amendments do not have any impact on the Group's and the Company's financial statements.

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

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments do not have any impact on the Group's financial statements as the Group does not apply the consolidation exemption.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

FRS 14 Regulatory Deferral Accounts

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

2.3 Standards and interpretations issued but not yet effective

The standards 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 107 Disclosures Initiatives (Amendments to FRS 107)	1 January 2017
FRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to FRS 112)	1 January 2017
FRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
FRS 9 Financial Instruments	1 January 2018
FRS 16 Leases	1 January 2019
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

FRS 107 Disclosures Initiatives (Amendments to FRS 107)

The amendments to FRS 107 Statement of Cash Flows requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of this amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosures to be provided by the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

FRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to FRS 112)

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies this amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group and on the Company.

FRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to FRS 2)

The amendments to FRS 2 address three main areas:

(a) The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;

(b) The classification of a share-based payment transaction with net settlement features for withholding tax obligations; and

(c) Accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is assessing the potential effect of the amendments on the financial statements.

FRS 9 Financial Instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

FRS 16 Leases

FRS 16 will replace FRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. FRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under FRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under FRS 16 is substantially the same as the accounting under FRS 117. Lessors will continue to classify all leases using the same classification principle as in FRS 117 and distinguish between two types of leases: operating and finance leases.

FRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies FRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group plans to assess the potential effect of FRS 16 on its financial statements in the succeeding financial year.

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

The amendments clarify that:

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

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

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

Malaysian Financial Reporting Standards (MFRS Framework)

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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

The Company is in the process of assessing the financial effects of the differences between the accounting standards under FRS and under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2017 and 31 March 2016 could be different if prepared under the MFRS Framework.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

2.4 Summary of significant accounting policies

(a) Basis of consolidation

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

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

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

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

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

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

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

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

(iii) Rights arising from other contractual arrangements; and

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

Business combinations

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Subsidiaries

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

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

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

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

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

(c) Transactions with non-controlling interests

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

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

(d) Intangible asset

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Intangible asset (cont'd.)

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

(e) Investment in an associate

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

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

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

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

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

(f) Property, plant and equipment, and depreciation

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

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

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

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

(g) Investment properties

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

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

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

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

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

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

(i) Land held for property development

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

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.)

(i) Land held for property development (cont'd.)

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

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

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

(ii) Property development costs

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Impairment of non-financial assets

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

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

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

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

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

(j) Financial assets

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Financial assets (cont'd.)

(i) Loans and receivables

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

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

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

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

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

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

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

(iii) Available-for-sale financial assets

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Financial assets (cont'd)

(iii) Available-for-sale financial assets (cont'd.)

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

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

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

Derecognition

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

(k) Impairment of financial assets

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

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

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

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

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

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 (cont'd.)

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

(ii) Unquoted equity securities carried at cost

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

(iii) Assets classified as AFS

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

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

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

(l) Inventories of completed properties

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

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

(m) Cash and cash equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Financial liabilities

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

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

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

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

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

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

(ii) Other financial liabilities

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

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

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

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

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Provisions

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

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

(p) Leases

(i) As a lessee

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

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

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

(ii) As a lessor

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Borrowing costs

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

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

(r) Income taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

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

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

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

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

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

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

(s) Employee benefits

(i) Short term benefits

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(s) Employee benefits (cont'd.)

(ii) Defined contribution plans

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

(iii) Share-based compensation

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

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

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

(t) Foreign currencies

(i) Functional and presentation currency

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(t) Foreign currencies (cont'd.)

(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.

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

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

(iii) Foreign operations

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Current versus non-current classification

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

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

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

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

(v) Fair value measurement

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(w) Revenue and other income

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

(i) Sale of properties

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

(ii) Sale of building materials

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

(iii) Car park operations

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

(iv) Interest income

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

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

(v) Rental income

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

(vi) Dividend income

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

(vii) Management fees

Management fees are recognised when these services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(x) Tenant deposits

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

(y) Government grants

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

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

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

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

(z) Segment reporting

For management reporting purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

(aa) Share capital and share issuance expenses

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(ab) Contingencies

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

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

2.5 Significant accounting judgements and estimates

(a) Judgements made in applying accounting policies

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

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

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

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

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

(ii) Operating lease commitments - Group as lessor

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

(iii) Impairment of available-for-sale investments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates (cont'd.)

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

(iii) Impairment of available-for-sale investments (cont'd.)

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

In previous financial year, the amount of impairment loss recognised for available-for-sale financial assets for the Group and the Company were RM364,000 and RM119,000 respectively.

(b) Key sources of estimation uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. The recoverable amount of the property development CGU has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering five-year periods. The property development's CGU used in the five-year cash flow projections is based on the expected sales and contracted costs throughout the duration of development project and using the stage of completion method as described in the property development cost Note 2.4(h)(ii). The carrying amount of goodwill as at 31 March 2017 was RM13,971,000 (2016: RM14,104,000). Further details are disclosed in Note 6.

(ii) Property development

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates (cont'd.)

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

(iii) Deferred tax

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

(iv) Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of the income tax expense are disclosed in Note 25.

(v) Allowance for bad and doubtful debts

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

(vi) Fair values of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in determining fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The Group engaged independent valuation specialists to determine fair value as at 31 March 2017.

3. PROPERTY, PLANT AND EQUIPMENT

	At valuation		At cost			
Group	**Long term leasehold building RM'000**	**Long term leasehold land RM'000**	**Long term leasehold buildings RM'000**	**Long term leasehold land RM'000**	**Motor vehicles, office furniture, equipment, plant, tools, machinery and renovation RM'000**	**Total RM'000**
At 31 March 2017						
At valuation/cost						
At 1 April 2016	200	170	4,359	528	14,660	19,917
Additions	-	-	-	-	777	777
Write off	-	-	-	-	(14)	(14)
At 31 March 2017	200	170	4,359	528	15,423	20,680
Accumulated depreciation						
At 1 April 2016	100	83	574	56	7,969	8,782
Depreciation charge for the year (Note 24)	4	2	51	5	2,291	2,353
Write off	-	-	-	-	(12)	(12)
At 31 March 2017	104	85	625	61	10,248	11,123
Net carrying amount						
At 31 March 2017	96	85	3,734	467	5,175	9,557

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

Group	At valuation		At cost			
	Long term leasehold building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Long term leasehold land RM'000	Motor vehicles, office furniture, equipment, plant, tools, machinery and renovation RM'000	Total RM'000
At 31 March 2016						
At valuation/cost						
At 1 April 2015	200	170	26,345	7,868	11,558	46,141
Additions	-	-	395	-	3,569	3,964
Transfer to investment properties (Note 5)	-	-	(22,381)	(7,340)	-	(29,721)
Disposal	-	-	-	-	(5)	(5)
Write off	-	-	-	-	(462)	(462)
At 31 March 2016	200	170	4,359	528	14,660	19,917
Accumulated depreciation						
At 1 April 2015	96	78	3,407	662	6,060	10,303
Depreciation charge for the year (Note 24)	4	5	51	5	2,320	2,385
Transfer to investment properties (Note 5)	-	-	(2,884)	(611)	-	(3,495)
Disposal	-	-	-	-	(2)	(2)
Write off	-	-	-	-	(409)	(409)
At 31 March 2016	100	83	574	56	7,969	8,782
Net carrying amount						
At 31 March 2016	100	87	3,785	472	6,691	11,135

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

Company	Motor vehicles RM'000	Office furniture and equipment RM'000	Total RM'000
At 31 March 2017			
Cost			
At 1 April 2016	1,086	147	1,233
Additions	-	5	5
At 31 March 2017	1,086	152	1,238
Accumulated depreciation			
At 1 April 2016	720	126	846
Depreciation charge for the year (Note 24)	122	8	130
At 31 March 2017	842	134	976
Net carrying amount			
At 31 March 2017	244	18	262
At 31 March 2016			
Cost			
At 1 April 2015	1,086	126	1,212
Additions	-	22	22
Write off	-	(1)	(1)
At 31 March 2016	1,086	147	1,233
Accumulated depreciation			
At 1 April 2015	599	117	716
Depreciation charge for the year (Note 24)	121	10	131
Write off	-	(1)	(1)
At 31 March 2016	720	126	846
Net carrying amount			
At 31 March 2016	366	21	387

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

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

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

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

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

Had the revalued long term leasehold building been carried at historical cost less accumulated depreciation, the net carrying amount as at 31 March 2017 would have been RM194,000 (2016: RM207,000).

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

Certain long term leasehold land and building of the Group with a carrying value of RM3,829,000 (2016: RM3,874,000) has been charged to a financial institution as securities for the revolving credit facilities granted to the Group as disclosed in Note 16(c).

(c) Fully depreciated assets

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Motor vehicles	3,116	2,873	476	476
Office furniture and equipment	935	728	120	114
Renovation	911	510	-	-
	4,962	4,111	596	590

(d) Assets held under hire purchase arrangements

In previous financial year, the Group acquired property, plant and equipment at aggregate costs of RM3,964,000 of which RM310,000 was acquired by means of hire purchase arrangements.

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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Motor vehicles	831	1,306	244	366

4. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Group 2017 RM'000	Group 2016 RM'000
Long term leasehold land		
Cost and carrying amount		
At beginning of year	54,373	54,068
Incidental cost to the land	240	305
At end of year	54,613	54,373

In previous financial year, long term leasehold land of the Group with a carrying value of RM54,613,000 (2016: RM54,373,000) has been charged to a financial institution as securities for revolving credit granted to the Group as disclosed in Note 16(c).

(b) Property development costs

	Group 2017 RM'000	Group 2016 RM'000
Cumulative property development costs		
At 1 April 2016/2015:		
Freehold land	61,237	61,237
Long term leasehold land	51,844	56,362
Development costs	142,495	271,763
	255,576	389,362
Costs incurred during the year:		
Long term leasehold land	3,411	23,735
Development costs	147,008	89,050
	150,419	112,785
Transfers:		
To inventories of completed properties (Note 11)	-	(29,443)
	-	(29,443)
Reversal of completed projects:		
Long term leasehold land	-	(28,339)
Development costs	-	(188,789)
	-	(217,128)
At 31 March 2017/2016	405,995	255,576

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

(b) Property development costs (cont'd.)

	Group 2017 RM'000	Group 2016 RM'000
Cumulative costs recognised in profit or loss		
At 1 April 2016/2015	(164,583)	(291,247)
Recognised during the year (Note 19)	(163,156)	(90,464)
Reversal of completed projects	-	217,128
At 31 March 2017/2016	(327,739)	(164,583)
Property development costs at 31 March 2017/2016	78,256	90,993

Included in property development costs incurred during the financial year are interest costs capitalised amounting to RM3,402,000 (2016: RM1,955,000) (Note 23).

Included in property development costs of the Group are leasehold land and development costs amounting to RM67,946,000 (2016: RM37,560,000) which have been charged to financial institutions as securities for the term loan and Islamic financing as disclosed in Note 16(a) and (b).

5. INVESTMENT PROPERTIES

At fair value	Freehold land RM'000	Leasehold land RM'000	Leasehold land and building RM'000	Total RM'000
At 31 March 2017				
At 1 April 2016	79,600	69,299	1,111,603	1,260,502
Net gain from fair value adjustments recognised in profit or loss (Note 20)	7,400	2,000	-	9,400
At 31 March 2017	87,000	71,299	1,111,603	1,269,902
At 31 March 2016				
At 1 April 2015	63,700	71,299	998,137	1,133,136
Transfer from property development costs (Note 3)	-	-	26,226	26,226
Government grant received (Note 20)	-	-	(15,251)	(15,251)
Net gain/(loss) from fair value adjustments recognised in profit or loss (Notes 20 and 24)	15,900	(2,000)	89,215	103,115
Reclassification (Note 37)	-	-	13,276	13,276
At 31 March 2016	79,600	69,299	1,111,603	1,260,502

5. INVESTMENT PROPERTIES (CONT'D.)

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

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

Reconciliation of fair value:

	Investment properties	
	Land and office properties RM'000	Land and retail properties RM'000
As at 1 April 2015	136,530	996,606
Transfer from property, plant and equipment	-	26,226
Government grant received	-	(15,251)
Remeasurement recognised in profit or loss	13,960	89,155
Reclassification (Note 37)	-	13,276
As at 31 March 2016/1 April 2016	150,490	1,111,012
Remeasurement recognised in profit or loss	9,400	-
As at 31 March 2017	159,890	1,111,012

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

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

5. INVESTMENT PROPERTIES (CONT'D.)

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

	2017 RM'000	2016 RM'000
Rental income (Note 18):		
- Land and office properties	1,291	1,250
- Land and retail properties	42,728	29,497
Other income	735	961
Direct operating expenses (Note 24)	(15,051)	(14,675)
Profit arising from investment properties	29,703	17,033

Included in investment properties is certain long term leasehold land of the Group amounting to approximately RM47,000,000 (2016: RM45,000,000) which has been leased to a third party under an operating lease agreement, as disclosed in Note 28.

Certain freehold and long term leasehold land and buildings of the Group with carrying value of RM1,057,100,000 (2016: RM1,134,700,000) have been charged to financial institutions as securities for credit facilities granted to the Group, as disclosed in Note 16(a) and (b).

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

6. INTANGIBLE ASSET

	Group	
	2017 RM'000	2016 RM'000
Cost		
At 1 April/31 March 2016/2015	10,666	23,942
Reclassification (Note 37)	-	(13,276)
At 31 March 2017/2016	10,666	10,666
Accumulated impairment		
At 1 April 2016/2015	(9,838)	(9,146)
Impairment loss recognised in profit or loss (Note 24)	(133)	(692)
At 31 March 2017/2016	(9,971)	(9,838)
Net carrying amount		
At 31 March 2017/2016	695	828

(i) Allocation of goodwill

In previous financial years, 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	
	2017 RM'000	2016 RM'000
Property development		
At 1 April 2016/2015	828	1,520
Impairment loss recognised in profit or loss (Note 24)	(133)	(692)
At 31 March 2017/2016	695	828
Property investment		
At 1 April/ 31 March 2017/2016	-	13,276
Reclassification (Note 37)	-	(13,276)
At 31 March 2017/2016	-	-
Total goodwill	695	828

(ii) Impairment testing of goodwill

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

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 RM'000	2016 RM'000
Unquoted shares, at cost	587,700	575,700
Accumulated impairment losses	(154,478)	(120,842)
	433,222	454,858

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	Direct shareholdings/ effective equity interest 2017 %	2016 %	Principal activities
Held by the Company				
Climate Engineering (Malaya) Sdn. Bhd.	50,000	100	100	Investment holding (dormant)
AGB Properties Sdn. Bhd.	1,000	100	100	Investment holding and renting out of offices & retail properties
Pinus Park Sdn. Bhd.	680	100	100	Renting out of bungalow (dormant)
BH Builders Sdn. Bhd.	110,000	100	100	Investment holding, property investment and development and renting out retail properties
Primadana Utama Sdn. Bhd.	2,500	100	100	Investment holding, property investment and development
Prousaha (M) Sdn. Bhd.	5,000	100	90	Property investment and development
Syarikat Kapasi Sdn. Bhd.	178,000	100	100	Property investment and development and renting out retail properties
Changkat Fajar Sdn. Bhd.	1,000	100	100	Property investment and development
Quality Trend Sdn. Bhd.	244	100	100	Property investment and development (dormant)
Asian Pac Property Management Sdn. Bhd.	500	100	100	Property management
Asian Pac Parksafe Sdn. Bhd.	500	100	100	Car park operation

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows: (cont'd.)

Name of Subsidiaries	Paid up share capital RM'000	Direct shareholdings/ effective equity interest 2017 %	2016 %	Principal activities
Held through subsidiaries:				
BH Realty Sdn. Bhd.	3,100	100	100	Property investment and development and car park operation
Wangsa Masyhur Sdn. Bhd.	30,000	100	100	Property investment and development (dormant)
Tekad Intisari Sdn. Bhd.	*	75	75	Property development (dormant)
Taman Bestari Sdn. Bhd.	750	100	100	Property development

* Represents paid-up share capital of RM100

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

(a) Acquisition of non-controlling interest

On 7 December 2015, the Company entered into a share sale agreement to acquire the remaining 500,000 ordinary shares of RM1.00 each representing 10% minority interest in Prousaha (M) Sdn. Bhd. ("PMSB") for a total consideration of RM12,000,000 ("the Acquisition"). The Company will have 100% ownership in PMSB upon completion of the Acquisition which was subject to conditions precedent as stipulated in the share sale agreement. Subsequently, the Acquisition was completed on 30 March 2017 and PMSB became a wholly-owned subsidiary of the Company.

(b) Incorporation of a subsidiary

In previous financial year, the Company incorporated a new subsidiary company, Asian Pac Parksafe Sdn. Bhd. for the purpose of managing the Group's car park operations business.

(c) Impairment losses on investments in subsidiaries

During the financial year, the Company recognised a reversal of impairment losses of RM Nil (2016: RM10,920,000) (Note 20) and additional impairment losses of RM33,636,000 (2016: RM5,766,000) (Note 24) on its investments in certain subsidiaries.

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

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

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

	Prousaha (M) Sdn. Bhd. RM'000	Tekad Intisari Sdn. Bhd. RM'000	Total RM'000
At 31 March 2017			
NCI percentage of ownership interest and voting interest	0.00%	25.00%	
Carrying amount of NCI	-	(120)	(120)
Loss attributable to NCI	(34)	2	(32)
At 31 March 2016			
NCI percentage of ownership interest and voting interest	10.00%	25.00%	
Carrying amount of NCI	355	(122)	233
Loss attributable to NCI	(22)	(1)	(23)

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Summarised financial information on subsidiaries with non-controlling interests (cont'd.)

(i) Summarised statement of financial position

	Prousaha (M) Sdn. Bhd.		Tekad Intisari Sdn. Bhd.		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current assets	1	2	-	-	1	2
Current assets	24,501	21,882	32	35	24,533	21,917
Total assets	24,502	21,884	32	35	24,534	21,919
Non-current liabilities	-	8,771	-	-	-	8,771
Current liabilities	21,290	9,565	598	610	21,888	10,175
Total liabilities	21,290	18,336	598	610	21,888	18,946
Net assets/(liabilities)	3,212	3,548	(566)	(575)	2,646	2,973
Equity attributable to owners of the parent	3,212	3,193	(446)	(453)	2,766	2,740
Non-controlling interests	-	355	(120)	(122)	(120)	233
	3,212	3,548	(566)	(575)	2,646	2,973

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Summarised financial information on subsidiaries with non-controlling interests (cont'd.)

	Prousaha (M) Sdn. Bhd.		Tekad Intisari Sdn. Bhd.		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(ii) Summarised statement of profit or loss						
(Loss)/Profit for the year	(336)	(217)	8	(4)	(328)	(221)
(Loss)/Profit attributable to owners of the parent	(302)	(195)	6	(3)	(296)	(198)
(Loss)/Profit attributable to non-controlling interest	(34)	(22)	2	(1)	(32)	(23)
(iii) Summarised statement of cash flows						
Net cash generated from/(used in) operating activities, representing net increase/(decrease) in cash and cash equivalents	8	174	(3)	(5)	5	169
Cash and cash equivalents at 1 April	189	15	35	40	224	55
Cash and cash equivalents at 31 March	197	189	32	35	229	224

8. INVESTMENT IN AN ASSOCIATE

	Company 2017 RM'000	Company 2016 RM'000
Unquoted shares outside Malaysia	375	375
Less: Accumulated impairment losses	(375)	(375)
	-	-

The Group has not recognised losses relating to the associate where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the reporting date was RM451,000 (2016: RM451,000). The Group has no obligation in respect of these losses.

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

Name of associate	Paid-up share capital RM'000	Direct shareholdings/ effective equity interest 2017 %	2016 %	Principal activities
PT AP International *	750	50	50	Property development and property management

* Audited by a firm other than Ernst & Young

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

	PT AP International 2017 RM'000	PT AP International 2016 RM'000
(i) Summarised statement of financial position		
Current assets representing total assets	8	8
Current liabilities representing total liabilities	910	910
Net liabilities attributable to owners of associate	(902)	(902)
(ii) Summarised statement of profit or loss		
Loss for the year	-	-

8. INVESTMENT IN AN ASSOCIATE (CONT'D.)

	PT AP International 2017 RM'000	PT AP International 2016 RM'000
(iii) Reconciliation of net liabilities to the carrying amount of Group's interest in the associate		
Group's share of net liabilities	(451)	(451)
Unrecognised losses	451	451
Carrying amount of Group's interest in associate	-	-
(iv) Group's share of results of associate	-	-

9. AVAILABLE-FOR-SALE INVESTMENTS

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Available-for-sale financial assets				
Non-current				
Quoted shares in Malaysia	4,856	3,849	1,592	1,194
Quoted shares outside Malaysia	22	18	22	18
	4,878	3,867	1,614	1,212

Unrealised gain/(loss) on fair valuation on available-for-sale investments amounting to RM1,183,000 (2016: (RM324,000)) and RM402,000 (2016: (RM43,000)) of the Group and of the Company were taken to other comprehensive income.

In previous financial year, the Group and the Company recognised impairment losses of RM364,000 and RM119,000 respectively (Note 24) on its investments in certain quoted shares.

Dividend income of the Group amounting to RM9,000 (2016: RM10,000) (Note 18) was taken to profit or loss.

10. DEFERRED TAX

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 April 2016/2015	(197,746)	(190,011)	(2)	10
Recognised in profit or loss (Note 25)	1,447	(7,735)	(3)	(12)
At 31 March 2017/2016	(196,299)	(197,746)	(5)	(2)
Presented after appropriate offsetting as follows:				
- Deferred tax assets	56	1,223	-	-
- Deferred tax liabilities	(196,355)	(198,969)	(5)	(2)
	(196,299)	(197,746)	(5)	(2)

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

Group	Revaluation of land held for property development, investment properties and capital allowances RM'000	Provisions and unused tax losses RM'000	Total RM'000
Deferred tax assets:			
At 1 April 2016	-	1,258	1,258
Recognised in profit or loss	-	(1,168)	(1,168)
At 31 March 2017	-	90	90
At 1 April 2015	-	2,571	2,571
Recognised in profit or loss	-	(1,313)	(1,313)
At 31 March 2016	-	1,258	1,258
Deferred tax liabilities:			
At 1 April 2016	(199,004)	-	(199,004)
Recognised in profit or loss	2,615	-	2,615
At 31 March 2017	(196,389)	-	(196,389)
At 1 April 2015	(192,582)	-	(192,582)
Recognised in profit or loss	(6,422)	-	(6,422)
At 31 March 2016	(199,004)	-	(199,004)

10. DEFERRED TAX (CONT'D.)

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

	Provisions	
	2017	2016
Company	RM'000	RM'000
Deferred tax assets:		
As at 1 April 2016/2015	5	15
Recognised in profit or loss	-	(10)
As at 31 March 2017/2016	5	5

	Capital allowance	
	2017	2016
Company	RM'000	RM'000
Deferred tax liabilities:		
As at 1 April 2016/2015	(7)	(5)
Recognised in profit or loss	(3)	(2)
As at 31 March 2017/2016	(10)	(7)

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

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	27,833	17,373	7,725	6,508
Unabsorbed capital allowances	41,017	44,473	81	69
	68,850	61,846	7,806	6,577

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

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

11. INVENTORIES OF COMPLETED PROPERTIES

	Group	
	2017 RM'000	2016 RM'000
As at 1 April 2016/2015	47,672	23,783
Transfer from property development costs (Note 4(b))	-	29,443
Recognised as cost of sales (Note 19)	(16,595)	(5,554)
As at 31 March 2017/2016	31,077	47,672

Certain completed property with carrying value of RM3,218,000 (2016: RM3,218,000) has been charged to financial institution as security for credit facility granted to the Group, as disclosed in Note 16(c).

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current				
Trade receivables	14,974	28,728	820	4,483
Other receivables				
Due from previous stockbroking clients	6,329	6,687	-	-
Sundry receivables	4,689	15,586	1,274	925
Deposit - Earnest deposit	-	10,000	-	10,000
Other deposits	5,944	3,061	4	6
GST input recoverable	121	479	-	-
Due from associate	1,004	1,004	1,004	1,004
Due from subsidiaries	-	-	38,920	20,916
	18,087	36,817	41,202	32,851
Less: Allowance for impairment	(7,796)	(7,722)	(1,443)	(1,443)
	10,291	29,095	39,759	31,408
Total trade and other receivables	25,265	57,823	40,579	35,891
Add: Deposits with licensed banks with maturity of more than 3 months (Note 13)	15,784	13,682	-	-
Add: Cash and cash equivalents (Note 13)	62,775	55,932	7,544	5,161
Total loans and receivables	103,824	127,437	48,123	41,052

(a) Trade receivables

The Group's and the Company's normal trade credit terms range from 7 to 60 days (2016: 7 to 60 days) and 60 days (2016: 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.

12. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

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

Ageing analysis of trade receivables

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

	Group	
	2017 RM'000	2016 RM'000
Neither past due nor impaired	6,632	16,348
1 to 30 days past due not impaired	988	2,453
31 to 60 days past due not impaired	1,539	4,960
61 to 90 days past due not impaired	1,002	1,146
More than 91 days past due not impaired	4,813	3,821
	8,342	12,380
	14,974	28,728

The total trade receivables are unsecured in nature.

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM8,342,000 (2016: RM12,380,000) that are past due at the reporting date but not impaired and are unsecured in nature.

(b) Other receivables

Other receivables that are impaired

At the reporting date, the Group has provided an allowance of RM6,308,000 (2016: RM6,234,000) for impairment on the amount due from previous stockbroking clients and RM1,488,000 (2016: RM1,488,000) for impairment on sundry receivables and amount due from associate. The Company has provided an allowance of RM1,004,000 (2016: RM1,004,000) for impairment on amount due from associate and RM439,000 (2016: RM439,000) for impairment on 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.)

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

Movements in allowance accounts

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 April 2016/2015	(7,722)	(7,251)	(1,443)	(1,443)
Bad debts recovered (Note 20)	6	58	-	-
Impairment losses (Note 24)	(80)	(529)	-	-
At 31 March 2017/2016	(7,796)	(7,722)	(1,443)	(1,443)

(c) Due from subsidiaries and an associate

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

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

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash at banks and on hand	42,839	40,741	596	146
Short term deposits with:				
Licensed banks	16,649	13,239	-	-
Financial institutions	19,071	15,634	6,948	5,015
Total cash and bank balances	78,559	69,614	7,544	5,161
Less: Deposits with licensed banks and financial institutions with maturity of more than 3 months	(15,784)	(13,682)	-	-
Cash and cash equivalents	62,775	55,932	7,544	5,161

Included in cash at banks of the Group are amounts of RM25,647,000 (2016: RM25,250,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Included in cash at banks of the Group is an amount of RM2,706,000 (2016: RM30,783,000) pledged to financial institutions for credit facilities granted to a number of subsidiaries as disclosed in Note 16(a) and (b).

13. CASH AND CASH EQUIVALENTS (CONT'D.)

Short term deposits with licensed banks of the Group amounting to RM13,832,000 (2016: RM11,288,000) are pledged to licensed banks for credit facilities granted to the Company and subsidiary companies as disclosed in Note 16(c) and as securities for performance guarantees given to third parties.

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

	Group		Company	
	2017	2016	2017	2016
	%	%	%	%
Licensed banks	3.09	3.16	-	-
Financial institutions	3.13	3.35	3.21	3.34

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

	Group		Company	
	2017	2016	2017	2016
	Days	Days	Days	Days
Licensed banks	103	99	-	-
Financial institutions	16	17	22	15

14. SHARE CAPITAL

	Note	Number of ordinary shares		Amount	
		2017	2016	2017	2016
Group and Company:		'000	'000	RM'000	RM'000
Authorised:					
At beginning/end of year	(a)	-	7,500,000	-	1,500,000
Issued and fully paid:					
At 1 April 2016/2015		992,564	991,026	198,513	198,205
Issued during the year:					
Share options exercised under ESOS	(b)	-	1,538	-	308
Effect of transition to no-par value regime	(a)	-	-	3,551	-
At 31 March 2017/2016		992,564	992,564	202,064	198,513

14. SHARE CAPITAL (CONT'D.)

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.

(a) Effect of transition to no-par value regime

The new Companies Act, 2016 ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM3,551,000 became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM3,551,000 for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(b) 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 tenure of the ESOS granted in prior years expired on 12 April 2016.

The salient features of the ESOS are as follows:

(i) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company.

(ii) Subject to the discretion of the ESOS Committee, any employee whose employment has been confirmed and any directors of the Group, shall be eligible to participate in the ESOS.

(iii) The total number of ordinary shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.

(iv) The option price for each share shall be the price as determined by the ESOS Committee which is at a discount of not more than ten per cent (10%) or such maximum discount as may be permitted by the relevant regulatory authorities from the weighted average market price of the new ordinary shares for the five (5) market days preceding the date on which the option is granted, or the par value of the new ordinary shares of the Company of RM0.20 each, whichever is higher. The option price is payable only in cash.

(v) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of grant throughout the period of five (5) years from 31 May 2006 and was subsequently extended on 13 April 2011 for another period of five (5) years. The employees' entitlements to the options are vested as soon as they become exercisable.

14. SHARE CAPITAL (CONT'D.)

(b) Employee Share Option Scheme (cont'd.)

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

(vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

(vii) The persons to whom the options have been granted have no right to participate by virtue of the options, in any share issue of any other company.

In previous financial years, the Company has granted ESOS twice to eligible employees of the Group as follows:

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

(b) On 21 October 2014, the Company granted 7,657,500 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company. At the closing date of 20 November 2014, 7,300,000 ESOS granted were accepted by employees of the Group.

In previous financial years, the Company has granted ESOS twice to eligible employees of the Group as follows:

(c) The fair value of share options granted during the previous financial year was estimated by an external valuer using the Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows:

Fair value of share options granted on 19 March 2014:

	2014
Fair value of share options at grant date, 19 March 2014 (RM)	0.078
Weighted average share price (RM)	0.201
Expected volatility (%)	64.603%
Expected life (years)	2.0690
Risk free rate (%)	4.061%

Fair value of share options granted on 21 October 2014:

	2015
Fair value of share options at grant date, 21 October 2014 (RM)	0.084
Weighted average share price (RM)	0.243
Expected volatility (%)	60.712%
Expected life (years)	1.4767
Risk free rate (%)	3.781%

14. SHARE CAPITAL (CONT'D.)

(b) Employee Share Option Scheme (cont'd.)

(c) The fair value of share options granted during the previous financial year was estimated by an external valuer using the Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows: (cont'd.)

The expected life of the options are not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

15. OTHER RESERVES

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ESOS option reserve	(a)	-	3,291	-	3,291
Merger reserve	(b)	-	-	78,000	78,000
Fair value adjustment reserve	(c)	1,226	43	411	9
		1,226	3,334	78,411	81,300

Movements in reserves are shown in the respective statements of changes in equity.

The nature and purpose of each category of reserve are as follows:

(a) ESOS option reserve

ESOS option reserve represents the equity-settled share options granted to the employees. The ESOS option expired on 12 April 2016 and balance of the ESOS option reserve was transferred to retained earnings.

(b) Merger reserve

The premium on shares issued in respect of the acquisition of BH Builders Sdn. Bhd. in the financial year ended 31 March 1996 had been credited to the merger reserve.

(c) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale investments until they are disposed of or impaired.

16. LOANS AND BORROWINGS

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Current					
Secured:					
Floating rate term loans	(a)	7,494	2,679	-	-
Islamic financing	(b)	17,812	25,730	-	-
Revolving credit	(c)	84,000	88,000	50,000	50,000
Obligation under finance leases	(d)	381	419	112	108
		109,687	116,828	50,112	50,108
Non-current					
Secured:					
Floating rate term loans	(a)	27,742	17,243	-	-
Islamic financing	(b)	244,105	246,000	-	-
Obligation under finance leases	(d)	605	990	154	266
		272,452	264,233	154	266
Total loans and borrowings		382,139	381,061	50,266	50,374

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

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
On demand and within 1 year	109,687	116,828	50,112	50,108
More than 1 year and less than 2 years	20,606	86,626	115	112
More than 2 years and less than 5 years	100,479	109,634	39	154
More than 5 years	151,367	67,973	-	-
	382,139	381,061	50,266	50,374

16. LOANS AND BORROWINGS (CONT'D.)

(a) Floating rate term loans

The floating rate term loans are obtained for development projects of the Company's wholly-owned subsidiary companies, Prousaha (M) Sdn. Bhd. and BH Realty Sdn. Bhd. and for the financing of acquisition of investment properties by wholly-owned subsidiary, AGB Properties Sdn. Bhd. These term loans bear an average interest rate of 5.28% to 6.21% (2016: 5.35% to 6.37%) per annum. These are secured by charges over the Group's freehold and leasehold properties as well as development costs as disclosed in Note 4(b), certain leasehold properties (Note 5), certain short term deposits and bank balances (Note 13) and corporate guarantee provided by the holding company amounting to RM35,237,000 (2016: RM19,922,000).

(b) Islamic financing

Islamic financing is obtained for refinancing of the investment properties of wholly-owned subsidiary, Syarikat Kapasi Sdn. Bhd., working capital of a wholly-owned subsidiary, BH Realty Sdn. Bhd., for financing of acquisition of investment properties by wholly-owned subsidiary, BH Builders Sdn. Bhd. and for development project of Taman Bestari Sdn. Bhd. It bears an average interest rate of 5.61% to 6.92% (2016: 5.31% to 7.1%) per annum. It is secured by charges over the Group's leasehold property as well as the development costs as disclosed in Note 4(b), leasehold properties as disclosed in Note 5, certain short term deposits and bank balances (Note 13), lease proceeds from an operating lease (Note 28) and corporate guarantee provided by the holding company amounting to RM269,296,000 (2016: RM278,772,000).

(c) Revolving credit

Revolving credits are obtained for the working capital of the Company and the Company's wholly-owned subsidiary companies, BH Realty Sdn. Bhd. and Syarikat Kapasi Sdn. Bhd, The revolving credits bear an average interest rate of 5.85% to 7.75% (2016: 5.8% to 7.85%) per annum. These are secured by charges over the Group's long term leasehold land and building as disclosed in Note 3(b), long term leasehold land as disclosed in Note 4(a), certain investment properties as disclosed in Note 5, certain inventory of completed property (Note 11), certain short term deposits and cash balances (Note 13) and corporate guarantee provided by the holding company amounting to RM34,000,000 (2016: RM38,000,000).

(d) Obligation under finance leases

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Future minimum lease payments:				
Within and up to 1 year	414	470	118	118
After 1 and up to 2 years	381	418	118	118
After 2 and up to 5 years	248	629	39	157
	1,043	1,517	275	393
Less: Future finance charges	(57)	(108)	(9)	(19)
Present value of future minimum lease payments	986	1,409	266	374

16. LOANS AND BORROWINGS (CONT'D.)

(d) Obligation under finance leases (cont'd.)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Present value of finance lease liabilities:				
Within and up to 1 year	381	419	112	108
After 1 and up to 2 years	363	385	115	112
After 2 and up to 5 years	242	605	39	154
Present value of finance lease liabilities	986	1,409	266	374
Analysed as:				
Due within 12 months	381	419	112	108
Due after 12 months	605	990	154	266
	986	1,409	266	374

The hire purchase payables bear interest between 1.51% to 2.58% (2016: 1.51% to 3.25%) per annum.

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

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current				
Trade payables				
Third parties	99,408	119,492	19	1,895
Other payables				
Deposits from property purchasers	6,340	4,578	-	-
Deposits from tenants	2,826	2,218	-	-
Other deposits	891	1,622	-	-
Interest payables	1,122	2,021	786	783
Accruals	4,684	18,707	94	131
Amounts due to subsidiaries	-	-	-	26,689
Others	15,119	10,246	99	107
	30,982	39,392	979	27,710
	130,390	158,884	998	29,605
Non-current				
Trade payables				
Retention sum payable	15,722	13,675	-	-
Other payables				
Deposits from tenants	11,723	9,411	-	-
	27,445	23,086	-	-
Total trade and other payables	157,835	181,970	998	29,605
Add: Loans and borrowings (Note 16)	382,139	381,061	50,266	50,374
Total financial liabilities carried at amortised cost	539,974	563,031	51,264	79,979

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 to 60 days (2016: 30 to 60 days).

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

18. REVENUE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Sale of development properties	194,949	110,625	-	-
Sale of building materials	3,585	4,630	3,585	4,630
Sale of inventories of completed properties	19,373	6,086	-	-
Car park operations	6,262	2,427	-	-
Interest income	131	372	131	372
Rental income from:				
- Land and office properties (Note 5)	1,291	1,250	-	-
- Land and retail property (Note 5)	42,728	29,497	-	-
Dividend income from:				
- Subsidiaries	-	-	52,000	-
- Equity investment, quoted in Malaysia (Note 9)	9	10	-	-
Management fees from:				
Subsidiaries	-	-	2,163	1,851
Others	-	8	-	-
	268,328	154,905	57,879	6,853

19. COST OF SALES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property development costs (Note 4(b))	163,156	90,464	-	-
Cost of building materials	2,957	3,561	2,957	3,561
Car park operations	1,737	831	-	-
Cost of inventories sold (Note 11)	16,595	5,554	-	-
Property management operation costs	14,861	16,129	-	-
Others	191	56	-	-
	199,497	116,595	2,957	3,561

20. OTHER INCOME

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Administration charges	57	134	-	-
Bad debts recovered (Note 12(b))	6	58	-	-
Gain on changes in fair value of investment properties	9,400	107,115	-	-
Gain on sale of quoted investments	167	-	-	-
Other interest income	1,312	1,379	-	-
Overdue interest income	255	1,014	-	-
Purchasers' deposit forfeited	157	326	-	-
Gain on fair value adjustments of financial assets at fair value through profit or loss	-	95	-	41
Reversal of impairment loss on investment in subsidiaries (Note 7)	-	-	-	10,920
Unwinding of discount	-	1,438	-	-
Government grant received	-	15,129	-	-
Miscellaneous income	1,207	1,333	-	-
	12,561	128,021	-	10,961

In previous financial year, a subsidiary of the Group received a financial grant from the Government of Malaysia through the Public Private Partnership Unit of the Prime Minister's Department.

21. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Wages and salaries	14,058	13,567	2,085	2,145
Contributions to defined contribution plan	1,846	1,802	436	457
Social security contributions	88	73	4	2
Other employee benefits	801	458	62	(3)
	16,793	15,900	2,587	2,601

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,061,000 (2016: RM3,294,000) and RM1,667,000 (2016: RM1,801,000) respectively as further disclosed in Note 22.

22. DIRECTORS' REMUNERATION

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Directors of the Company:				
Executive directors' remuneration:				
Salaries and other emoluments	3,061	3,294	1,667	1,801
Non-executive directors' remuneration (Note 24):				
Fees and other emoluments	225	222	105	96
Total directors' remuneration	3,286	3,516	1,772	1,897

The details of the remuneration received/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 2017				
Executive				
Dato' Mustapha bin Buang	1,481	-	186	1,667
Dr. Yu Tat Loong *	1,246	-	148	1,394
	2,727	-	334	3,061
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
Soon Dee Hwee	-	9	-	9
	-	225	-	225
	2,727	225	334	3,286

* The above director's remuneration was paid by subsidiary companies.

22. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration received/receivable by directors of the Group during the year are as follows: (cont'd.)

	Salary and other emoluments RM'000	Fees RM'000	Bonus RM'000	Total RM'000
At 31 March 2016				
Executive				
Dato' Mustapha bin Buang	1,449	-	352	1,801
Dr. Yu Tat Loong *	1,185	-	308	1,493
	2,634	-	660	3,294
Non-executive				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas *	6	120	-	126
Dato' Mohamed Salleh bin Bajuri	-	48	-	48
Tan Siew Poh	-	48	-	48
	6	216	-	222
	2,640	216	660	3,516

* The above director's remuneration was paid by subsidiary companies.

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

	2017	2016
Executive directors:		
RM1,350,001 - RM1,550,000	1	1
RM1,550,001 - RM1,750,000	1	-
RM1,750,001 - RM1,950,000	-	1
Non-executive directors:		
Below RM50,000	3	2
RM100,001 - RM150,000	1	1

23. FINANCE COSTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense on:				
Hire purchase	50	60	9	13
Bank borrowings	33,347	28,519	3,894	3,933
Loan from shareholder	174	62	-	-
Unwinding of discount	1,019	524	-	-
	34,590	29,165	3,903	3,946
Less:				
Interest expense capitalised under:				
- Property development costs (Note 4(b))	(3,402)	(1,955)	-	-
	31,188	27,210	3,903	3,946

24. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Employee benefits expense (Note 21)	16,793	15,900	2,587	2,601
Non-executive directors' remuneration (Note 22)	225	222	105	96
Auditors' remuneration				
- statutory audit	333	300	55	55
- other services	7	7	7	7
- under/(over)provision in prior year	28	4	-	(5)
Depreciation				
- property, plant and equipment (Note 3)	2,353	2,385	130	131
Property, plant and equipment written off (Note 3)	2	53	-	-
Impairment of:				
- quoted investments (Note 9)	-	364	-	119
- investment in subsidiaries (Note 7)	-	-	33,636	5,766
- intangible asset (Note 6)	133	692	-	-
- other receivables (Note 12(b))	80	529	-	-
Loss on disposal of property, plant and equipment	-	3	-	-

24. PROFIT BEFORE TAX (CONT'D.)

The following amounts have been included in arriving at profit before tax: (cont'd.)

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Loss on changes in fair value of investment properties	-	4,000	-	-
Provision for liquidated ascertained damages	-	1,315	-	-
Direct operating expenses attributable to income generating investment properties (Note 5)	15,051	14,675	-	-
Rental of land and buildings	1,033	1,106	-	-

25. INCOME TAX EXPENSE/(BENEFIT)

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Income tax:				
Current year tax expense	7,266	1,903	-	-
Under/(over)provision in prior years	89	4,827	(237)	682
	7,355	6,730	(237)	682
Deferred tax (Note 10):				
Relating to origination and reversal of temporary differences	(1,068)	7,595	1	13
(Over)/underprovision in prior years	(379)	140	2	(1)
	(1,447)	7,735	3	12
Total income tax expense/(benefit)	5,908	14,465	(234)	694

Income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the year.

25. INCOME TAX EXPENSE/(BENEFIT) (CONT'D.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2017 and 2016 are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before tax	14,693	88,076	14,057	929
Taxation at Malaysian statutory tax rate of 24%	3,526	21,138	3,374	223
Income not subject to tax	(105)	(25,338)	(12,511)	(2,710)
Expenses not deductible for tax purposes	1,920	1,503	8,843	2,327
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(662)	(148)	-	-
Deferred tax liabilities recognised	300	7,433	-	-
Deferred tax assets not recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	2,343	4,965	295	173
Deferred tax assets recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	(1,124)	(55)	-	-
Under/(over)provision of income tax expense in prior years	89	4,827	(237)	682
(Over)/underprovision of deferred tax in prior years	(379)	140	2	(1)
Tax expense/(benefit) for the year	5,908	14,465	(234)	694

Tax savings during the financial year arising from:

	Group	
	2017 RM'000	2016 RM'000
Utilisation of tax losses and capital allowances brought forward from previous years	662	148

26. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group	
	2017	2016
Profit net of tax, attributable to owners of the parent used in the computation of basic earnings per share (RM'000)	8,817	73,634
Weighted average number of ordinary shares in issue ('000)	992,564	992,408
Basic earnings per share attributable to ordinary equity holders of the Company (sen)	0.9	7.4

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the current financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	Group	
	2017	2016
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	8,817	73,634
Weighted average number of ordinary shares in issue ('000)	992,564	992,408
Effects of dilution:		
Assumed exercise of share options granted under ESOS #	-	1,988
Adjusted weighted average number of ordinary shares in issue and issuable	992,564	994,396
Diluted earnings per share (sen)	0.9	7.4

The assumed exercise of ESOS at average market price for the prior financial year is treated as an issue of ordinary shares for no consideration.

27. DIVIDENDS

	Group 2017 RM'000	Group 2016 RM'000
Recognised during the financial year		
In respect of the financial year ended 31 March 2015:		
Special single tier dividend of RM0.003 per ordinary share on 992,563,966 ordinary shares, approved on 21 September 2015 and paid on 8 November 2015.	-	2,978

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

28. OPERATING LEASE COMMITMENTS

(a) Group as lessor

On 15 December 2004, the Group entered into a Lease Agreement ("the Agreement") with Magnificent Diagraph Sdn. Bhd. ("MDSB"), a company incorporated in Malaysia, for the lease of one long term leasehold land measuring approximately 6.265 acres as described in Note 5.

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.

28. OPERATING LEASE COMMITMENTS (CONT'D.)

(a) Group as lessor (cont'd.)

On 8 November 2005, all conditions precedent in the Agreement were fulfilled.

The lease proceeds from operating lease have been charged to financial institution as securities for the facilities granted to the Group, as disclosed in Note 16(b).

In addition to the above, the Group has entered into commercial property leases on its investment properties and plant and equipment. These leases have remaining lease terms of between 1 to 3 years with renewal option included in the contracts.

Future minimum rentals receivable under non-cancellable operating leases that are between 1 to 3 years at the reporting date are as follows:

	Group	
	2017 RM'000	2016 RM'000
Not later than 1 year	40,878	36,320
Later than 1 year but not later than 3 years	13,201	40,066
	54,079	76,386

(b) Group as lessee

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

Minimum lease payments recognised in profit or loss for the financial year ended 31 March 2017 amounted to RM1,033,000 (2016: RM1,106,000) (Note 24).

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

	Group	
	2017 RM'000	2016 RM'000
Not later than 1 year	1,121	1,333
Later than 1 year but not later than 5 years	240	495

29. CAPITAL COMMITMENT

	Group and Company	
	2017 RM'000	2016 RM'000
Capital expenditure		
Approved and contracted for:		
Acquisition of unquoted shares (Note 7)	-	12,000

30. CONTINGENT LIABILITIES

Upon adoption of FRS 139, the financial guarantees provided to financiers for related companies are no longer disclosed as contingent liabilities but would instead be recorded as financial liabilities if considered likely to crystallise. The Group has assessed the financial guarantee contracts and concluded that the crystallisation of these guarantees is remote.

31. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Rights issue of ICULS with Warrants

On 8 August 2016, the Company had announced to Bursa Malaysia Securities Bhd ("Bursa") in relation to the following:

(i) Renounceable Rights Issue of up to RM99,256,461 nominal value of 5-year 3% Irredeemable Convertible Unsecured Loan Stocks to be issued at 100% of its nominal value of RM1.00 each ("ICULS") on the basis of 1 ICULS for every 10 ordinary shares of RM0.20 each in Asian Pac Holdings Berhad ("Asian Pac Shares") together with up to 198,512,922 free new detachable warrants ("Warrants") to be issued on the basis of 2 Warrants for each ICULS subscribed ("Rights Issue of ICULS with Warrants"); and

(ii) Exemption to Mr. Mah Sau Cheong and Persons Acting in Concert with him ("PAC") from the obligation to undertake a mandatory take-over offer for all the Asian Pac Shares, convertible securities and new Asian Pac Shares to be issued pursuant to the conversion of ICULS and/or the exercise of the warrants not held by Mr. Mah Sau Cheong or his PAC ("Exemption").

Hereinafter collectively referred to as the ("Corporate Exercises").

The Company had been granted approval from the Securities Commission Malaysia ("SC"), Bursa as well as the shareholders of the Company as detailed below:

Authorities / Parties	Particulars	Approval Date
SC	Approval for the issuance of ICULS	20 October 2016
Bursa	Approval for admission, listing and quotation of ICULS and Warrants	8 December 2016
Shareholders	Approval of Corporate Exercises by shareholders at Extraordinary General Meeting	20 January 2017
SC	Approval for the Exemption	14 February 2017

On 24 May 2017, the Company announced the total valid acceptances and excess applications received for the ICULS were RM105,519,760 ICULS, representing an oversubscription of RM6,263,299 ICULS or approximately 6.31% over the total of up to RM99,256,461 ICULS available for subscription under the Rights Issue of ICULS with Warrants.

On 26 May 2017, the ICULS and Warrants were allotted, listed and quoted on the Main Market of Bursa on 31 May 2017.

31. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(a) Rights issue of ICULS with Warrants (cont'd)

As at 10 July 2017, the utilisation of the proceeds of RM99,256,000 from the Rights Issue of ICULS with Warrants is as follows:

	Allocation RM'000	Utilisation RM'000	Balance RM'000
Acquisition of new land	62,550	-	62,550
Working capital	10,006	-	10,006
Repayment of bank borrowings	25,000	-	25,000
Payment of expenses in connection with the Corporate Exercises	1,700	1,195	505
	99,256	1,195	98,061

Pursuant to the Malaysian Code on Take-Overs and Mergers 2016 ("Code") and the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Rules"), the Company would like to disclose the following:

(i) The details of the Exemption granted, including the duration for which the Exemption has been granted.

On 26 January 2017, Mr. Mah Sau Cheong and his spouse, Ms. Chin Lai Kuen had submitted an application to the SC for the Exemption from the obligation to undertake a mandatory take-over offer for all the ordinary shares of RM0.20 each in Asian Pac Holdings Berhad, convertible securities and new Asian Pac Shares to be issued pursuant to the conversion of ICULS and/or the exercise of the Warrants not held by Mr. Mah Sau Cheong and his spouse, Ms. Chin Lai Kuen, pursuant to Section 219 of the Capital Market and Services Act 2007 ("CMSA") and Paragraph 4.08 (1)(C) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued on 15 August 2016.

On 14 February 2017, the SC had granted the approval on the Exemption and the duration for the exemption granted is from 26 May 2017 to 25 May 2022.

(ii) The number and percentage of voting shares or voting rights and the conversion or subscription rights or options in Asian Pac held by Mr. Mah Sau Cheong and Ms. Chin Lai Kuen as at latest practicable date prior to the disclosure are as below:

As at 10 July 2017

Name	Number of ordinary shares held	% of issued capital	Number of ICULS	Number of Warrants
Mah Sau Cheong	182,068,669	18.20	58,800,411	117,600,822
Chin Lai Kuen	5,260,000	0.53	-	-
Total	187,328,669	18.73	58,800,411	117,600,822

31. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(a) Rights issue of ICULS with Warrants (cont'd.)

Pursuant to the Malaysian Code on Take-Overs and Mergers 2016 ("Code") and the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Rules"), the Company would like to disclose the following: (cont'd.)

(iii) The maximum potential voting shares or voting rights of Mr. Mah Sau Cheong and Ms. Chin Lai Kuen in Asian Pac, if only Mr. Mah Sau Cheong and Ms. Chin Lai Kuen (but not other holders) exercise the conversion or subscription rights or options in full are as below:

Maximum Potential:

Name	Number of ordinary shares held	% of issued capital
Mah Sau Cheong	593,671,546	36.96
Chin Lai Kuen	5,260,000	0.33
Total	598,931,546	37.29

(b) Material litigation

On 22 March 2016, Bina Puri Construction Sdn Bhd ("BPC") vide its solicitors, Messrs Nobert Yapp & Associates served a Notice of Adjudication pursuant to Section 8 of the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") on Syarikat Kapasi Sdn Bhd ("SKSB") (a wholly owned subsidiary of Asian Pac) claiming for a total of RM29,818,685.04 being the value of works certified and its overdue interest, pursuant to the construction contract signed between SKSB and BPC dated 8 February 2012.

Subsequent to the parties' exchange of documents and written submissions to the Adjudicator following the above Notice of Adjudication by BPC, the Adjudicator has decided on 11 July 2016 that the sum of RM29,818,685.04 claimed by BPC has been fully extinguished by the sum put forward by SKSB to offset the claim hence there is no payment to be made by one party to the other, except for the RM154,306.69 in costs to be paid by BPC to SKSB ("Adjudication Decision").

On 3 August 2016, BPC served to SKSB an originating summons to apply to set aside the Adjudication Decision ("Set Aside Application") and the hearing of the said application was fixed on 15 December 2016 at the High Court in Kota Kinabalu.

On 15 December 2016, the High Court in Kota Kinabalu decided to set aside the Adjudication Decision ("Set Aside Application Decision"). However, SKSB has vide its solicitors, file a Notice of Appeal to the Court of Appeal Malaysia against the set Aside Application Decision.

On 28 February 2017, the Court of Appeal affirmed the Set Aside Application Decision. Notwithstanding the said affirmation, the Court of Appeal ruled that there should not be an order to pay RM29,818,685.04 to BPC.

31. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

(b) Material litigation (cont'd.)

SKSB vide its solicitors, has filed a motion for leave to appeal before the Federal Court against the Court of Appeal's affirmation of the Set Aside Application Decision ("Appeal").

SKSB's solicitors for this matter are of the view that SKSB is likely to succeed in the Appeal.

32. RELATED PARTY DISCLOSURES

(a) Related party transactions

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

	Group	
	2017 RM'000	2016 RM'000
Rental paid/payable to a company with common director	687	587
Rental guarantee by a related company to other related companies	3,540	3,540
Property management fee by a related company to other related companies	17,280	17,280
Carpark management fee by related companies to other related company	335	927
Interest on amount due to shareholder	174	62

	Company	
	2017 RM'000	2016 RM'000
Gross dividend income from subsidiaries	52,000	-
Management fees charged to subsidiaries	2,163	1,851

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. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

Group	2017 Carrying amount RM'000	2017 Fair value RM'000	2016 Carrying amount RM'000	2016 Fair value RM'000
Financial liabilities:				
Loans and borrowings (non-current)				
- Islamic financing	244,105	236,945	246,000	235,103
- Obligation under finance leases	605	604	990	984

Determination of fair value

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

	Note
Trade and other receivables	12
Loans and borrowings (current)	16
Trade and other payables	17

The carrying amounts of trade and other receivables, trade and other payables and floating rate term loans are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

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.

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

Determination of fair value (cont'd.)

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

The fair value of all unexpired financial guarantees issued by the Company were deemed nil and were not recognised as financial liabilities, as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed party defaulting within the guaranteed period were assessed to be remote (Note 16).

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties.

Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

Fair value hierarchy (cont'd.)

Senior management, in conjunction with the Group's external valuers, also compare each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

As at 31 March 2017 and 31 March 2016, the Group and the Company held the following assets carried at fair value in the statements of financial position:

	2017 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	4,856	4,856	-	-
Quoted shares outside Malaysia	22	22	-	-
Investment properties	1,269,902	-	249,990	1,019,912
Company				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,592	1,592	-	-
Quoted shares outside Malaysia	22	22	-	-

	2016 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	3,849	3,849	-	-
Quoted shares outside Malaysia	18	18	-	-
Investment properties	1,260,502	-	240,590	1,109,912
Company				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,194	1,194	-	-
Quoted shares outside Malaysia	18	18	-	-

During the financial years ended 31 March 2017 and 31 March 2016, there were no known transfers between Level 1, Level 2 and Level 3 fair value measurements.

34. 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 abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

- Corporate guarantee provided by the Company to banks or financial institutions on subsidiaries' bank loans and borrowings.

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

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

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

	2017		2016	
Group	**RM'000**	**% of total**	**RM'000**	**% of total**
By business segments:				
Property development	12,677	84.7%	23,372	81.4%
Car park operations	-	0.0%	12	0.0%
Mall operations	1,477	9.8%	861	3.0%
Trading of building materials	820	5.5%	4,483	15.6%
	14,974	100%	28,728	100%

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objectives are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 29% (2016: 31%) 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.

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

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

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

2017	On demand or within one year RM'000	More than one year less than five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	130,390	27,445	-	157,835
Loans and borrowings	133,799	176,342	183,754	493,895
Total undiscounted financial liabilities	264,189	203,787	183,754	651,730
Company				
Financial liabilities:				
Trade and other payables, excluding financial guarantees	998	-	-	998
Loans and borrowings	54,018	157	-	54,175
Total undiscounted financial liabilities*	55,016	157	-	55,173
2016				
Group				
Financial liabilities:				
Trade and other payables	158,884	23,086	-	181,970
Loans and borrowings	144,178	238,006	84,691	466,875
Total undiscounted financial liabilities	303,062	261,092	84,691	648,845

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

(b) Liquidity risk (cont'd.)

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

2016	On demand or within one year RM'000	More than one year less than five years RM'000	Over five years RM'000	Total RM'000
Company				
Financial liabilities:				
Trade and other payables, excluding financial guarantees	29,605	-	-	29,605
Loans and borrowings	54,043	275	-	54,318
Total undiscounted financial liabilities*	83,648	275	-	83,923

* At the reporting date, the counterparty to the financial guarantees do not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arise primarily from the short term deposits and loans and borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax arising as a result of lower/higher interest income on short term deposits and interest expense on floating rate loans and borrowings would have the following effects:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit net of tax	(237)	(250)	(33)	(34)

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

(d) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from investment in quoted equity instruments in Malaysia and Singapore. These instruments are classified as available-for-sale financial assets. The Group and the Company do not have exposure to commodity price risk.

The Group's and the Company's exposure to market price risk are minimal as the Group's and the Company's investment in quoted equity instruments are small compared to its total assets.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposure arising from amount due from an associate that is denominated in Indonesian Rupiah. The Company is also exposed to currency translation risk arising from its net investments in foreign operations.

The Company's exposure to foreign currency risk is minimal.

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. No changes were made in the objectives, policies or processes during the years ended 31 March 2017 and 31 March 2016.

The Group's policy is to maintain a sustainable gearing ratio to meet its existing requirements taking into consideration the facilities agreements entered into by the Group. The Group includes within the net debt, loans and borrowings, hire purchase liabilities, trade and other payables, less other investment, short term deposits, cash and cash equivalents. Capital refers to equity attributable to owners.

35. CAPITAL MANAGEMENT (CONT'D.)

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Loans and borrowings	16	382,139	381,061	50,266	50,374
Trade and other payables	17	157,835	181,970	998	29,605
Less: Short term deposits	13	(15,784)	(13,682)	-	-
Cash and cash equivalents	13	(62,775)	(55,932)	(7,544)	(5,161)
Net debt		461,415	493,417	43,720	74,818
Equity attributable to the owners of the parent, representing total capital		860,637	862,316	432,368	417,675
Capital and net debt		1,322,052	1,355,733	476,088	492,493
Gearing ratio		35%	36%	9%	15%

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has 5 reportable operating segments as follows:

(i) Investment holding - holding of quoted and unquoted shares for capital investment purposes;
(ii) Property development - development of residential and commercial properties;
(iii) Land and office properties - rental and capital appreciation
(iv) Car park operations - operation of car park; and
(v) Mall operations - mall leasing and operation.

Except as indicated above, no operating segments have been aggregated to form the above reportable segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

36. SEGMENT INFORMATION (CONT'D.)

	Investment holding and others		Property development		Property investment: Land and office properties		Property investment: Car park operations		Property investment: Mall operations		Adjustments and eliminations		Note	Consolidated	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000		2017 RM'000	2016 RM'000
Revenue:															
External customers	3,725	5,012	214,322	116,719	1,291	1,250	6,270	2,427	42,720	29,497	-	-		268,328	154,905
Inter-segment	54,163	1,851	-	-	7	7	336	927	20,820	20,820	(75,326)	(23,605)	A	-	-
Total revenue	57,888	6,863	214,322	116,719	1,298	1,257	6,606	3,354	63,540	50,317	(75,326)	(23,605)		268,328	154,905
Results:															
Interest income	131	372	1,294	1,350	-	-	-	-	18	29	-	-		1,443	1,751
Dividend income	9	10	-	-	-	-	-	-	-	-	-	-		9	10
Depreciation	148	141	1,740	1,902	11	11	45	45	409	286	-	-		2,353	2,385
Other non-cash expenses	-	-	588	82	-	4	-	-	433	498	-	(4)	B	1,021	580
Impairment of assets	33,750	10,494	133	416	-	-	-	-	-	-	(33,670)	(9,325)	C	213	1,585
Segment profit/(loss)	26,958	276	20,449	14,797	8,756	9,438	4,592	1,794	(2,060)	66,858	(44,002)	(5,087)		14,693	88,076
Assets and liabilities:															
Additions to non-current assets	5	22	323	2,935	-	-	-	-	627	1,311	-	-		955	4,268
Segment assets	17,386	25,640	233,273	253,974	160,535	149,601	107,185	103,844	1,023,525	1,027,710	59,703	71,768	D	1,601,607	1,632,537
Segment liabilities	51,817	53,366	121,526	112,396	8,667	19,776	619	6	501,202	525,088	57,259	59,356	E	741,090	769,988

36. SEGMENT INFORMATION (CONT'D.)

Notes **Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

A Inter-segment revenues are eliminated upon consolidation.

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

	Note	2017 RM'000	2016 RM'000
Loss on disposal of property, plant and equipment	24	-	3
Property, plant and equipment written off	24	2	53
Unwinding of interest	23	1,019	524
		1,021	580

C Impairment of assets consist of:

	Note	2017 RM'000	2016 RM'000
Impairment on intangible asset	6	133	692
Impairment on quoted investment	24	-	364
Impairment on other receivables	24	80	529
		213	1,585

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

	2017 RM'000	2016 RM'000
Land held for property development	53,644	53,640
Intangible asset	700	833
Property development costs	4,890	13,280
Inventories for completed properties	1,177	5,431
Accrued Income	(708)	(1,416)
	59,703	71,768

36. SEGMENT INFORMATION (CONT'D.)

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

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

	2017 RM'000	2016 RM'000
Accrued cost	(708)	(1,416)
Deferred tax liabilities	57,967	60,772
	57,259	59,356

Geographical segments

No geographical segment is prepared as the Group operates only in Malaysia.

37. COMPARATIVES

Certain comparative figures have been reclassified to conform to current financial year's presentation.

	As previously stated RM'000	Reclass adjustment RM'000	As restated RM'000
Consolidated statement of financial position As at 31 March 2016			
Investment Properties	1,247,226	13,276	1,260,502
Intangible asset	14,104	(13,276)	828

38. SUPPLEMENTARY INFORMATION

The breakdown of the retained earnings or accumulated losses of the Group and of the Company as at 31 March 2017 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total retained earnings				
- Unrealised retained earnings/ (accumulated losses)	503,071	497,078	(1,008)	(1,006)
- Realised retained earnings	172,703	179,911	152,901	135,317
	675,774	676,989	151,893	134,311
Add : Consolidation adjustments	(18,427)	(20,071)	-	-
Total retained earnings	657,347	656,918	151,893	134,311

List of Properties Held

As at 31 March 2017

Location	Description	Existing Use	Tenure	Age of Building	Area	Net Book Value RM'000	Acquisition/ Completion/ Valuation Date
Title No. TL 17533505 Kota Kinabalu, Sabah	KKTS 2 - Mall, Exterior Shops, Basement & Elevated Car Parks	Retail Properties and Car Park Operations	Leasehold expires : 31/12/2076	2	15.45 acres	1,074,874	31/03/2017
HSD 28646, Lot No. PT 4021, Mukim of Semenyih, District of Ulu Langat, Selangor	Land	Investment Property	Freehold	NA	94.06 acres	87,000	08/03/2017
H.S. (D) 157186, PT 23762, Mukim Labu, Daerah Seremban, Negeri Sembilan	Land	Vacant	Leasehold expires : 9/11/2102	N/A	399.84 acres	54,613	23/03/2006
PN 39178, Lot 63579 Mukim of Batu, Wilayah Persekutuan	Land	For Lease	Leasehold expires : 10/01/2087	N/A	6.23 acres	47,000	31/03/2017
PT 298, HS (D) 39196 Mukim Bandar Kundang, Gombak, Selangor	Land	Vacant	Leasehold expires : 24/1/2101	N/A	49.97 acres	24,300	27/03/2017
Title No. TL 17540500 Kota Kinabalu, Sabah	Ground and basement carpark	Carpark operations	Leasehold Expires : 31/12/2080	9	114,039 sq. ft.	23,437	27/03/2017
Country Lease No. 025314096 District of Papar, Sabah	Land	Property under development	Leasehold expires : 28/06/2924	N/A	16.57 acres	25,676	10/09/2015
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	24,660	26/03/2013
PN 39177, Lot No. 63582 Mukim of Batu, Wilayah Persekutuan	Land	Property under development	Leasehold expires : 10/01/2087	N/A	3 acres	17,575	11/01/1988
Title No. TL 17528942, Kampung Karamunsing, Kota Kinabalu, Sabah	Ground & Rooftop carpark	Carpark operations	Leasehold expires : 21/01/2901	7	52,433 sq. ft.	11,700	28/03/2017

Statement of Securities Holders

ORDINARY SHARES AS AT 30 JUNE 2017

Issued and paid-up capital	:	RM200,117,922.00
No. of Holders	:	16,160
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	217	1.343	4,276	0.000
100 – 1,000	3,416	21.139	3,264,100	0.326
1,001 – 10,000	8,209	50.798	39,290,230	3.927
10,001 – 100,000	3,560	22.030	134,121,342	13.404
100,001 – 50,029,479	757	4.684	767,909,662	76.746
50,029,480 and above	1	0.006	56,000,000	5.597
Total	**16,160**	**100.000**	**1,000,589,610**	**100.000**

LIST OF THIRTY LARGEST SHAREHOLDERS/DEPOSITORS

	Name	No. of Shares Held	% of Issued Capital
1	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	56,000,000	5.596
2	South Malaysia Industries Berhad	48,344,000	4.831
3	Mah Sau Cheong	47,204,869	4.717
4	Affin Hwang Nominees (Tempatan) Sdn Bhd Southern Corporation (Nibong Tebal) Sdn Bhd for Mah Sau Cheong	40,813,800	4.078
5	Dato' Mustapha Bin Buang	29,724,485	2.970
6	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Puncak Darul Naim Sdn Bhd	23,902,000	2.388
7	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	23,550,000	2.353
8	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Seraya Kota Sdn Bhd	22,765,000	2.275
9	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Bandar Sri Tujuh Sdn Bhd	21,445,000	2.143
10	HSBC Nominees (Asing) Sdn Bhd Exempt An For the Hongkong and Shanghai Banking Corporation Limited	14,226,300	1.421
11	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	13,500,000	1.349
12	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	13,132,732	1.312
13	Chin Khee Kong & Sons Sdn Bhd	7,657,600	0.765
14	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rozanita Binti Zainal Abidin	7,000,000	0.699
15	Zubaidah Binti Bunyamin	6,053,900	0.605

	Name	No. of Shares Held	% of Issued Capital
16	Seik Thye Kong	6,000,000	0.599
17	Taman Bunga Merlimau Sdn Bhd	5,782,000	0.577
18	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Puncak Darul Naim Sdn Bhd	5,600,000	0.559
19	Chin Lai Kuen	5,260,000	0.525
20	Mah Wee Hian @ Mah Siew Kung	5,050,300	0.504
21	MP Factors Sdn Bhd	5,040,000	0.503
22	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wee Hian @ Mah Siew Kung	5,015,100	0.501
23	RHB Nominees (Tempatan) Sdn Bhd OSK Trustees Berhad for The Divine Vision Trust	4,811,700	0.480
24	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	4,733,000	0.473
25	Che Norsiah Binti Mohd Shariff	4,639,800	0.463
26	Leow Pek Fong @ Liew Pek Fong	4,575,000	0.457
27	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	4,512,900	0.451
28	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited	4,369,899	0.436
29	Teo Yu Hong	4,200,000	0.419
30	Lee See Jin	4,093,200	0.409
		449,002,585	**44.873**

SUBSTANTIAL SHAREHOLDERS
AS PER REGISTER OF SUBSTANTIAL SHAREHOLDER

	No. of Shares Held			
	Direct	%	Indirect	%
Mah Sau Cheong	182,068,669	18.20	*5,260,000	0.53

DIRECTORS' INTEREST IN SHARES

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	194,800	0.02	-	-
Dato' Mustapha Bin Buang	32,850,985	3.28	*800,000	0.08
Dato' Mohamed Salleh Bin Bajuri	500,000	0.05	-	-
Tan Siew Poh	2,188	Negligible	-	-
Soon Dee Hwee	-	-	-	-
Dr. Yu Tat Loong	-	-	-	-

Note:
* Deemed interest by virtue of his spouse.

5-YEAR 3% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AS AT 30 JUNE 2017

ICULS issued	:	RM99,256,461
Issue Date	:	26 May 2017
Maturity Date	:	25 May 2022
Conversion Period	:	26 May 2017 – 25 May 2022
Conversion Price	:	RM1.00 (where 1 ICULS will be converted into 5 new Ordinary shares)
No. of Holders	:	880
Conversion Rights	:	Each ICULS holder has the rights to convert ICULS held into new Ordinary Shares of the Company at the Conversion Price during the Conversion Period

DISTRIBUTION OF ICULS HOLDERS

Size of Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS Held	% of ICULS Held
1 – 99	2	0.227	100	0.000
100 – 1,000	321	36.477	170,140	0.174
1,001 – 10,000	337	38.295	1,496,958	1.533
10,001 – 100,000	163	18.523	5,569,060	5.703
100,001 – 4,882,572	56	6.364	31,614,792	32.375
4,882,573 and above	1	0.114	58,800,411	60.215
Total	**880**	**100.000**	**97,651,461**	**100.000**

LIST OF THIRTY LARGEST ICULS HOLDERS

	Name	No. of ICULS Held	% of ICULS Held
1	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	58,800,411	60.214
2	South Malaysia Industries Berhad	4,834,400	4.950
3	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Boon Poh	3,000,000	3.072
4	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Puncak Darul Naim Sdn Bhd	2,390,200	2.447
5	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Seraya Kota Sdn Bhd	2,276,500	2.331
6	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Bandar Sri Tujuh Sdn Bhd	2,144,500	2.196
7	Wee Jui Jong	1,830,000	1.874
8	Chin Khee Kong & Sons Sdn Bhd	765,000	0.783
9	Teoh Chooi Guat	734,100	0.751
10	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wee Hian @ Mah Siew Kung	700,000	0.716
11	Lee Sing Gee	700,000	0.716
12	Goh Thong Beng	680,000	0.696

	Name	No. of ICULS Held	% of ICULS Held
13	Chin Kiam Hsung	634,500	0.649
14	Ong Ah Choon @ Ong Kai Choon	580,700	0.594
15	Puncak Darul Naim Sdn Bhd	560,000	0.573
16	RHB Nominees (Tempatan) Sdn Bhd OSK Trustees Berhad for The Divine Vision Trust	481,170	0.492
17	Che Norsiah Binti Mohd Shariff	463,980	0.475
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Kong	451,290	0.462
19	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	377,570	0.386
20	Chin Sin Lin	374,000	0.382
21	Chin Kian Fong	345,500	0.353
22	Puncak Darul Naim Sdn Bhd	345,062	0.353
23	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account fro Chin Kiam Hsung	339,990	0.348
24	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ser Yu Beng	335,300	0.343
25	Zubaidah Binti Bunyamin	330,390	0.338
26	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Mustapha Bin Buang	312,650	0.320
27	Indar Kaur A/P Dan Singh	300,000	0.307
28	Lye Thai Sang	300,000	0.307
29	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	278,100	0.284
30	Jenny Wong	270,000	0.276
		85,935,313	**88.002**

DIRECTORS' INTEREST IN ICULS

	No. of ICULS Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	20,000	0.02	-	-
Dato' Mustapha Bin Buang	313,650	0.32	*1,000	Negligible
Dato' Mohamed Salleh Bin Bajuri	50,000	0.05	-	-
Tan Siew Poh	1,000	Negligible	-	-
Soon Dee Hwee	-	-	-	-
Dr. Yu Tat Loong	-	-	-	-

Note:
* Deemed interest by virtue of his spouse.

Warrants as at 30 June 2017

Warrants Issued	:	198,512,922
Issue Date	:	26 May 2017
Maturity Date	:	25 May 2022
Exercise Period	:	26 May 2017 – 25 May 2022
Exercise Price	:	RM0.25
No. of Holders	:	870
Exercise Rights	:	Each warrant holder entitles to subscribe for 1 new ordinary share in the Company at the Exercise Price during the Exercise Period

DISTRIBUTION OF WARRANTS HOLDERS

Size of Holdings	No. of Warrants Holders	% of Warrants Holders	No. of Warrants Held	% of Warrants Held
1 – 99	1	0.115	80	0.000
100 – 1,000	192	22.069	87,680	0.044
1,001 – 10,000	373	42.874	1,714,436	0.864
10,001 – 100,000	220	25.287	8,517,020	4.290
100,001 – 9,925,645	83	9.540	70,592,884	35.561
9,925,646 and above	1	0.115	117,600,822	59.241
Total	**870**	**100.000**	**198,512,922**	**100.000**

LIST OF THIRTY LARGEST WARRANTS HOLDERS

	Name	No. of Warrants Held	% of Warrants Held
1	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	117,600,822	59.240
2	South Malaysia Industries Berhad	9,668,800	4.870
3	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Boon Poh	6,000,000	3.022
4	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Puncak Darul Naim Sdn Bhd	4,780,400	2.408
5	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Seraya Kota Sdn Bhd	4,553,000	2.293
6	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Bandar Sri Tujuh Sdn Bhd	4,289,000	2.160
7	Wee Jui Jong	3,660,000	1.843
8	Seik Thye Kong	3,400,000	1.712
9	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Teh Swee Heng	1,700,000	0.856
10	Chin Khee Kong & Sons Sdn Bhd	1,300,000	0.770
11	Teoh Chooi Guat	1,468,200	0.739
12	Lee Sing Gee	1,400,000	0.705
13	Goh Thong Beng	1,360,000	0.685

	Name	No. of Warrants Held	% of Warrants Held
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wee Hian @ Mah Siew Kung	1,330,000	0.669
15	Low Lay Ping	1,246,200	0.627
16	Puncak Darul Naim Sdn Bhd	1,120,000	0.564
17	Chua Soo Leng	1,090,000	0.549
18	RHB Nominees (Tempatan) Sdn Bhd OSK Trustees Berhad for The Divine Vision Trust	962,340	0.484
19	Che Norsiah Binti Mohd Shariff	927,960	0.467
20	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	902,580	0.454
21	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ser Yu Beng	800,000	0.402
22	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account fro Chin Kiam Hsung	755,140	0.380
23	Chin Sin Lin	748,000	0.376
24	Chin Kian Fong	691,000	0.348
25	Puncak Darul Naim Sdn Bhd	690,124	0.347
26	Zubaidah Binti Bunyamin	660,780	0.332
27	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Mustapha Bin Buang	625,300	0.314
28	Jenny Wong	540,000	0.272
29	Tan Yee Ming	520,000	0.261
30	Tan Ah Moi	516,000	0.259
		175,535,646	**88.425**

DIRECTORS' INTEREST IN WARRANTS

	No. of Warrants Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	40,000	0.02	-	-
Dato' Mustapha Bin Buang	627,300	0.32	*2,000	negligible
Dato' Mohamed Salleh Bin Bajuri	100,000	0.05	-	-
Tan Siew Poh	2,000	Negligible	-	-
Soon Dee Hwee	-	-	-	-
Dr. Yu Tat Loong	-	-	-	-

Note:
* Deemed interest by virtue of his spouse.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-Ninth Annual General Meeting of the Company will be held at Hibiscus 1, Level 3, Swiss-Garden Residences, 117 Jalan Pudu, 55100 Kuala Lumpur on Wednesday, 6 September 2017 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 2017 and the Reports of the Directors and Auditors. ***[Please refer Explanatory Note 3 (a)]***

2. To re-elect Dr. Yu Tat Loong 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 Ms Tan Siew Poh as Director of the Company who retire by rotation and being eligible offers herself for re-election in accordance with Article 115 of the Company's Articles of Association. ***Resolution 2***

4. To re-elect Ms Soon Dee Hwee as Director of the Company who retire by rotation and being eligible offers herself for re-election in accordance with Article 123 of the Company's Articles of Association. ***Resolution 3***

5. To re-appoint Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas as Director of the Company. ***Resolution 4 [Please refer Explanatory Note 3 (b)]***

6. To re-appoint Messrs Ernst & Young as the Company's Auditors to hold office for the ensuing year and to authorise the Directors to fix their remuneration. ***Resolution 5***

SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following ordinary resolutions with or without modifications as:-

   (a) Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ***Resolution 6***

   THAT pursuant to Sections 75 and 76 of the Companies Act 2016 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) Directors' Fees in respect of financial year ended 31 March 2017 ***Resolution 7***

   To approve the payment of the Directors' Fees of RM225,161.00 to Non-Executive Directors of the Company and subsidiary for the financial year ended 31 March 2017.

(c) Directors' Fees in respect of financial year ending 31 March 2018 ***Resolution 8***

To approve the Directors' Fees up to RM314,483.87 payable to the Non-Executive Directors of the Company and subsidiary for the financial year ending 31 March 2018.

(d) Directors' benefits to Non-Executive Directors

To approve the payment of Directors' benefits up to an amount of RM32,000 from 29 May 2017 until the next annual general meeting of the Company. ***Resolution 9***

(e) Retention as Independent Non-Executive Director

(i) "THAT subject to the passing of Resolution 4, 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 10***

(ii) "THAT 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 11***

8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 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
31 July 2017

Notes:

1) Members Entitled To Attend

In respect of deposited securities, only members whose names appear in the Record of Depositors on 28 August 2017 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 99th Annual General Meeting ("AGM") or appoint proxy/proxies to attend and/or vote on his behalf.

2) Appointment of Proxy

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (but not more than two [2] proxies) to attend and vote in his stead. A proxy may but need not be a member of the Company

(b) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(e) An instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or by his/her attorney and in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

(f) An instrument appointing a proxy must be deposited at the Registered Office of the Company at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

3) Explanatory Notes on Ordinary Business

(a) Item 1 of the Agenda – To receive the Audited Financial Statements for the financial year ended 31 March 2017

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item will not put forward for voting.

(b) Item 5 of the Agenda – Re-appointment of Director

With the coming into force of the Companies Act 2016 on 31 January 2017, there is no age limit for directors.

At the 98th AGM of the Company held on 30 August 2016, Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas who is above the age of 70, was re-appointed pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of the 99th AGM. His term of office will end at the conclusion of the 99th AGM and he has offered himself for re-appointment.

The proposed Ordinary Resolution 4 if passed, will enable Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas to continue to act as Director of the Company and he shall subject to retirement by rotation at later date.

The Nomination Committee has assessed the contribution of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and recommended to the Board for his re-appointment. The Board recommends to the shareholders for consideration at this 99th AGM the re-appointment of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas as Director of the Company.

4) Explanatory Notes on Special Business:-

(a) Resolution 6 - Authority to issue shares pursuant to Sections 75 & 76 of the Companies Act 2016

The proposed Resolution 6, if passed, will empower the Directors of the Company, from the date of the above AGM, 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 AGM of the Company.

The proposed Resolution 6 is a renewal of general mandate that has been sought in the preceding year. There were no proceeds raised from the previous mandate given to the Directors at the last AGM held on 30 August 2016.

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) Resolutions 7 to 9 - Directors' Fees and benefits to Non-Executive Directors

Resolution 7 - The Directors' Fees of RM225,161.00 is for services rendered by the Non-Executive Directors of the Company and subsidiary for the financial year ended 31 March 2017.

Resolutions 8 and 9 - In May 2017, the Remuneration Committee had conducted a review of the Directors' fees where the last review was performed in 2008 and in view of the increasing responsibilities of directors, the Remuneration Committee had recommended the increase in the Directors' Fees. The Board had endorsed the said Remuneration Committee's recommendation to increase the Directors' Fees effective from 29 May 2017, payable to Non-Executive Directors of the Company and subsidiary for the financial year ending 31 March 2018 shall be up to RM314,483.87. The Board wishes to seek shareholders' approval on the same.

The Directors' benefits up to an amount of RM32,000, comprise solely on meeting allowances payable to the Non-Executive Directors, which will only be accorded based on actual attendance of meetings by the Non-Executive Directors. In this respect, the Board wishes to seek shareholders' approval for the benefits payable to the Non-Executive Directors with effect from 29 May 2017 until the conclusion of the next AGM.

Payment of Directors' fees and benefits will be made by the Company on a monthly basis and as and when incurred if the proposed Resolutions 8 and 9 are passed at the 99th AGM. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' Fees and benefits on a monthly basis and as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company.

The proposed Resolutions 8 and 9 are calculated based on the current Board size and the number of scheduled Board and Committee meetings for financial year ending 31 March 2018 up to the next AGM. In the event the proposed amounts are insufficient (e.g. due to more meetings and enlarged Board size), approval will be sought at the next AGM for the shortfall.

(c) Resolution 10 – Proposed Retention of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas ("Tan Sri Dato' Megat") as Independent Non-Executive Director
Resolution 11 – Proposed Retention of Dato' Mohamed Salleh Bin Bajuri ("Dato' Salleh") as Independent Non-Executive Director

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, shareholders' approval is sought for the ordinary resolutions with regard to the retention of Independent Non-Executive Directors of the Company, Tan Sri Dato' Megat and Dato' Salleh who had served the Board for a cumulative term of more than nine (9) years, to continue serving as Independent Non-Executive Directors.

The Nomination Committee ("NC") had on 29 May 2017 conducted its review on the Independent Directors' level of contribution to the Board as well as the level of independence demonstrated by each Independent Director; and affirmed that they remained objective and independent, evidenced by their ability to demonstrate the values associated with independence during Board discussions such as impartiality, objectivity and consideration of the interest of the Company, and they had and would continue to provide the necessary checks and balances to the Board in discharging their responsibilities in an independent manner with integrity and competency notwithstanding that they have served as Independent Directors for more than nine (9) years. The Board endorsed the NC's recommendation and would like to seek the approval from shareholders to retain both as Independent Directors.

Statement Accompanying Notice of 99th Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profiles of the Directors who are standing for re-election and re-appointment as per Agenda 2, 3, 4 and 5 of the Notice of 99th AGM respectively are as follows:

	Resolution 1	Resolution 2	Resolution 3	Resolution 4
Name:	Dr. Yu Tat Loong	Ms Tan Siew Poh	Ms Soon Dee Hwee	Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas
Designation:	Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Nationality/Age:	Malaysian/41	Malaysian/54	Malaysian/56	Malaysian/73
Date of Appointment:	28 May 2013	18 March 2008	23 January 2017	19 October 1994
Academic Qualification:	University of Bath - Bachelor of Engineering in Civil Engineering Cardiff University – Doctor of Philosophy in research on aerospace structures and optimisation algorithms	University of Melbourne – Bachelor of Commerce majoring in Accounting and Economics	Chartered Accountant – registered with Malaysian Institute of Accountants	University of Singapore – Honours Degree in Law
Present Directorships:	Nil	**Listed Entities:** South Malaysia Industries Berhad **Other public companies:** Nil	**Listed Entities** Bison Consolidated Berhad **Other public companies:** Prudential Assurance Berhad	**Listed Entities:** SEG International Bhd Omesti Berhad MajuPerak Holdings Berhad **Other public companies:** Federation of Public Listed Companies Berhad Malaysian Institute of Corporate Governance

	Resolution 1	Resolution 2	Resolution 3	Resolution 4
Present Appointment(s):	Nil	Nil	Hwang Capital (Malaysia) Berhad – Senior Vice President	• Corporate Debt Restructuring Committee (CDRC) of Bank Negara • National Economic Consultative Council 2 (NECC 2) • Capital Market Strategic Committee of Securities Commission • Trustee, Tan Sri Muhyiddin Charity Golf Foundation • Trustee, Mykasih (Charity) Foundation • Trustee, Vijayaratnam Foundation • Trustee, Quest International University Perak
Past Directorship and/or Appointment:	Nil	Nil	Nil	• Partner, Megat Najmuddin Leong & Co (1972 – 1986) • State Assemblyman of Kelana Jaya, Selangor (1986-1990 and 1990-1995) • Century Bond Berhad (2000-2006) • Seal Incorporated Berhad (2001-2003) • Dialog Group Berhad (2002-2010) • Salcon Berhad (2003-2010) • Chairman, Tradewinds Corporation Berhad (2002-2015) • Petroliam Nasional Berhad (2010-2017)
Director's Interest	Nil	2,188 ordinary shares in Asian Pac Holdings Berhad	Nil	194,800 ordinary shares in Asian Pac Holdings Berhad

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he/she has a personal interest. They do not have any convictions for offences within the past five (5) years.

Proxy Form

99th Annual General Meeting

Number of shares held	
CDS Account No.	

ASIAN PAC HOLDINGS BERHAD (129-T)
(Incorporated in Malaysia)
Registered Office:
12th Floor, Menara SMI,
No. 6, Lorong P. Ramlee,
50250 Kuala Lumpur
Tel : 03-2786 3388
Fax: 03-2786 3386

I/We (Full Name) ________________________ (NRIC No./ Co. No. ________________)

Tel No/Mobile No. ________________ of ________________________________

________ being a member/members of ASIAN PAC HOLDINGS BERHAD (Co. No. 129-T) do hereby appoint :-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares:	%

and / or failing him/her

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares:	%

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Ninety-Ninth Annual General Meeting of the Company to be held at Hibiscus 1, Level 3, Swiss-Garden Residences, 117 Jalan Pudu, 55100 Kuala Lumpur on Wednesday, 6 September 2017 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 Dr. Yu Tat Loong as Director		
2	To re-elect Ms Tan Siew Poh as Director		
3	To re-elect Ms Soon Dee Hwee as Director		
4	To re-appoint Tan Sri Dato' Seri Hj Megat Najmuddin as Director		
5	To re-appoint Messrs. Ernst & Young as Auditors		
6	To authorise Directors to issue shares pursuant to S75 and 76 of the Companies Act 2016		
7	To approve the payment of Directors' Fees for financial year ended 31 March 2017		
8	To approve the Directors' Fees for the financial year ending 31 March 2018		
9	To approve the payment of Directors' benefits		
10	To retain Tan Sri Dato' Seri Hj Megat Najmuddin as Independent Non-Executive Director		
11	To retain Dato' Mohamed Salleh Bin Bajuri as Independent Non-Executive Director		

Signed this ______ day of ________________ 2017

____
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 28 August 2017 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 99th AGM or appoint proxy/proxies to attend and/or vote on his behalf.

2. **Appointment of Proxy**

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (but not more than two [2] proxies) to attend and vote in his stead. A proxy may or need not be a member of the Company.

(b) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(e) An instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or by his/her attorney and in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

(f) An instrument appointing a proxy must be deposited at the Registered Office of the Company at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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AFFIX
STAMP

The Company Secretary

ASIAN PAC HOLDINGS BERHAD
(Company No. 129-T)
12th Floor, Menara SMI,
No. 6, Lorong P. Ramlee
50250 Kuala Lumpur

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