



ASIAN PAC HOLDINGS BERHAD

Company No. 191301000011 (129-T)



ANNUAL REPORT 2023

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www.asianpac.com.my



ANNUAL REPORT 2023



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Independent Non-Executive Chairman

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

Non-Independent Non-Executive Director

Datuk Mohamed Salleh Bin Bajuri

Independent Non-Executive Directors

Mr Chai Yee Choong

Mr Sherman Lam Yuen Suen
(resigned on 28/2/2023)

Datuk Yunos Bin Abd Ghani
(appointed on 15/3/2023)

Puan Rahana Binti Abdul Rashid
(appointed on 1/6/2023)

Non-Independent Executive Directors

Dato' Mustapha Bin Buang
Dr Yu Tat Loong

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Mr Chai Yee Choong
(appointed on 28/2/2023)

Members

Datuk Mohamed Salleh Bin Bajuri

Datuk Yunos Bin Abd Ghani
(appointed on 15/3/2023)

Puan Rahana Binti Abdul Rashid
(appointed on 1/6/2023)

Mr Sherman Lam Yuen Suen
(resigned on 28/2/2023)

NOMINATION COMMITTEE

Chairman

Datuk Yunos Bin Abd Ghani
(appointed on 15/3/2023)

Members

Datuk Mohamed Salleh Bin Bajuri

Mr Chai Yee Choong

Puan Rahana Binti Abdul Rashid
(appointed on 1/6/2023)

REMUNERATION COMMITTEE

Chairman

Puan Rahana Binti Abdul Rashid
(appointed on 1/6/2023)

Members

Datuk Mohamed Salleh Bin Bajuri

Mr Chai Yee Choong

Datuk Yunos Bin Abd Ghani
(appointed on 15/3/2023)

COMPANY SECRETARIES

Ms Beh Siew Siew
(appointed on 20/12/2022)
MAICSA 7066637 / SSM PC No.
202008001904

Ms Ooi Mei Ying
MAICSA 7051036 / SSM PC No.
202008000797

Ms Chan Yoon Mun
(resigned on 30/9/2022)
MAICSA 0927219 / SSM PC No.
202008000391

REGISTERED OFFICE

12th Floor, Menara SMI
No. 6, Lorong P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel No : (603) 2786 3388
Fax No : (603) 2786 3386
Email address :
siewsiew.beh@asianpac.com.my /
meiying.ooi@asianpac.com.my

SHARE REGISTRAR

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Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : (603) 2783 9299
Fax No : (603) 2783 9222
Helpdesk Email:
is.enquiry@my.tricorglobal.com

AUDITORS

UHY (AF 1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No : (603) 2279 3088
Fax No : (603) 2279 3099

PRINCIPAL BANKERS

Affin Islamic Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

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

WEBSITE ADDRESS

www.asianpac.com.my

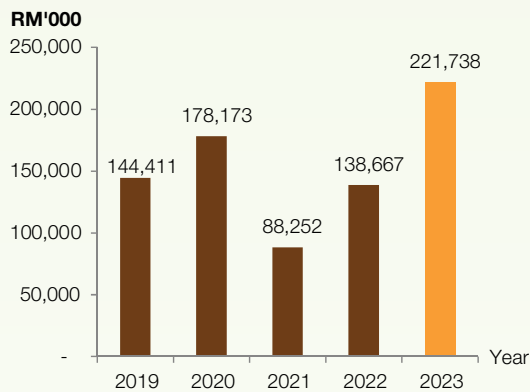
INVESTOR RELATIONS

Email : query@asianpac.com.my
Tel No : (603) 2786 3388

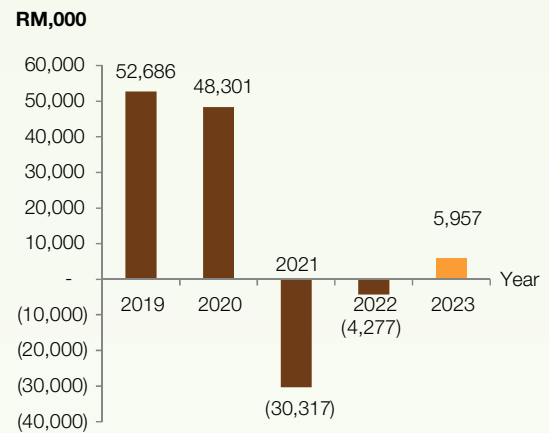
5 YEARS GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March	2019	2020	2021	2022	2023
Revenue (RM'000)	144,411	178,173	88,252	138,667	221,738
Net Profit/(Loss) Attributable to Equity Holders (RM'000)	52,686	48,301	(30,317)	(4,277)	5,957
Earnings/(Loss) per Share (Sen)	5.1	4.7	(2.9)	(0.4)	0.4
Net Assets per Share (Sen)	100.9	105.4	102.1	100.9	72.0

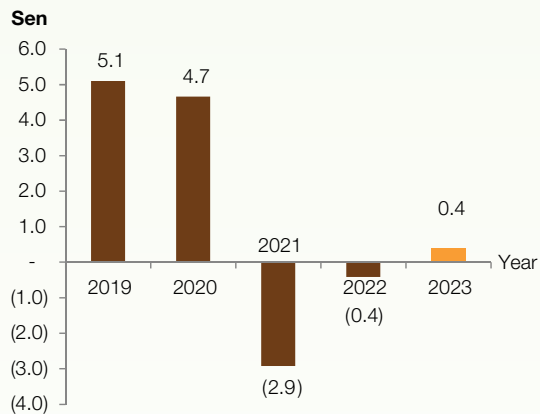
Revenue



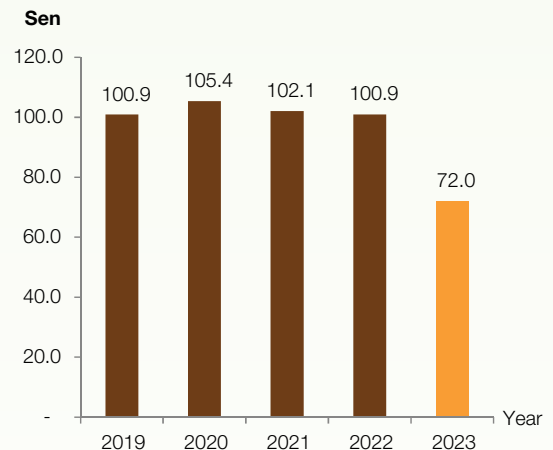
Net Profit/(Loss) Attributable to Equity Holders



Earnings/(Loss) per Share



Net Assets per Share

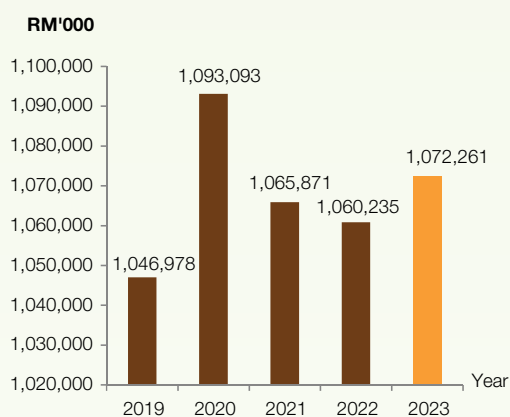


ASIAN PAC HOLDINGS BERHAD

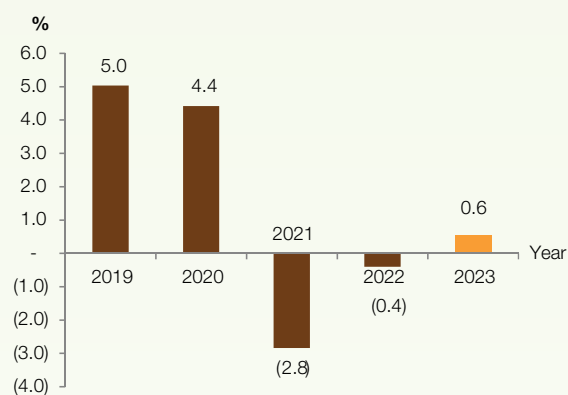
5 YEARS GROUP
FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March	2019	2020	2021	2022	2023
Shareholders' Equity (RM'000)	1,046,978	1,093,093	1,065,871	1,060,235	1,072,261
Return on Equity (%)	5.0	4.4	(2.8)	(0.4)	0.6
Net Debt (RM'000) (Note 36, Page 200)	389,312	642,356	638,818	650,540	709,946
Gearing Ratio (%) (Note 36, Page 200)	27.1	37.0	37.5	38.0	39.8

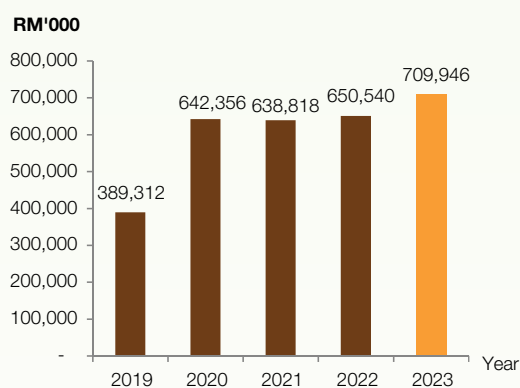
Shareholders' Equity



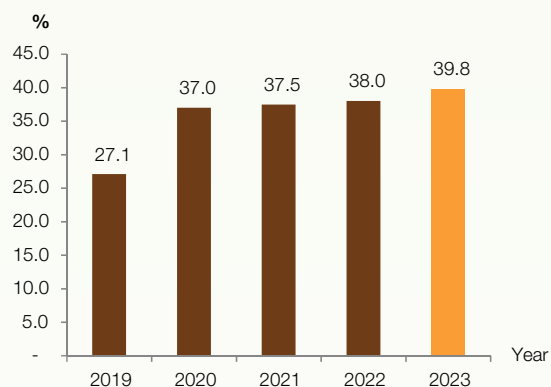
Return on Equity



Net Debt



Gearing Ratio



MALL HIGHLIGHTS

Hari Raya Aidilfitri & Harvest Festival 2022 – Luminescence

April to June 2022

In celebrating the festive season of Hari Raya Aidilfitri and Harvest Festival in 2022, IMAGO Shopping Mall (“IMAGO”) has organised the 2022 Kaamatan Festival and Hari Raya Aidilfitri Celebration event. The theme for the year 2022 is Luminescence, which emphasises on the characteristics of tradition and a sense of pride in the art of batik as well as other festive elements of the Harvest Festival.

Several events are held within the event period such as IMAGO Raya Packet Redemption, Traditional Dance Performances, Busking Sessions as well as IMAGO Stay Connected via Facebook Live.



IMAGO Dance Battle

September 2022

In line with our Sponsorship Event – Rodrigo Teaser Michael Lives Forever Concert, we have organised a Dance Competition, a tribute to the King of Pop – Michael Jackson.

Some activities held during the event time are Dance & Choreography Workshop, Meet & Greet with Rodrigo Teaser, Rap Performance, Beatbox Performance and Dance Performance.

The Dance Competition Categories includes 1 on 1 Open Style Battle, 2 on 2 Open Style Battle and Street Dance Crew Showcase.



IMAGO Halloween 2022 – Demon Storm

October 2022

During the month of October 2022, we held our first Anime, Cosplay, Comic, and Games (ACCG) theme event in celebrating Halloween.

The event's decorations are based on the popular anime "Demon Slayer". During the event period, several activities were held such as Cosplay Dance Competition, Mobile Legends Bang Bang Tournaments, Cosplay Stage Competition and Trick or Treat.

We received overwhelming responses from the Sabah Cosplay Community. Besides, there were also participants from Peninsular and Sarawak.



MALL HIGHLIGHTS

IMAGO Christmas 2022 – Resplendence December 2022

In celebrating the Christmas festive season, we have organised and decorated the mall with Medieval concept, the event named “Resplendence”.

The event features Dovian Kingdom, a kingdom where King Dovian I built to reunite the people by practising respect, understanding and trust. The main element for the event decoration is doves, which symbolise peace, freedom and love.

Activities held during the event period are Medieval Show Performance, Christmas Carol, Lighting, Snow & Bubble Show and Dovian Kingdom Cipher online contest.



IMAGO Chinese New Year 2023 – Hops of Fortune January 2023

In welcoming the lunar year of the rabbit, our Chinese New Year decorations highlight the characteristics of rabbits: gentle, patience, prosperity and vigour. Pink and Gold, which fits in perfectly with our theme, are the main colours of our decorations.

Activities held during the event period are Red Packet Redemption Event, Lion & Dragon Dance Performance and Traditional Chinese Fan Dance.



PROJECT HIGHLIGHTS



RIMBA HILLS

Rimba Hills is a residential housing development with a stretch of trendy shops that provide conveniences to the community. A low-density development of only 136 units of town-villas and hillside terraces nestled on the hill with the 22 units of signature retail fronting Pan Borneo Highway.

Situated along the Pan Borneo Highway and adjacent to the interchange between Papar and Kota Kinabalu ("KK") City Centre, Rimba Hills exudes the charm of modern living within the realm of natural wonder. It provides a collection of conveniences which is 5km within reach of shophouses and sensational sights overlooking the South China Sea.

Rimba Hills signals the rise of a new social hub that is set to redefine Kinarut urbanism with sense and style, taking root between Papar and City Centre along the Pan Borneo Highway, a route that brings a new age of accessibility to wondrous delights and magnificent views as nature intended.

Scale the top of Rimba Hills and discover a view of the South China Sea that few can savour. Moments from dawn to dusk welcome you with the chirping of birds that grace the hillside private park – a reward for those who embrace their roots. What sets Rimba Hills apart is the enjoyment of personal space in open fields of facilities that merge landscaped greenery with nature's scenery. Where every home is welcomed by basketball courts and outdoor gyms along hiking trails that endear the social heart of every resident, and their family and friends to the great outdoors.

PROJECT HIGHLIGHTS

LIKASVUE

LikasVue is situated at Likas, KK. It stands tall and offers 360-degree scenic views throughout the year. Not many vertical homes in cities can boast that. LikasVue comes with an address that has an abundance of surrounding conveniences and necessities from neighbouring tourist attractions like the sunset at Likas Bay Park and Floating Mosque to recreational hubs that include a nearby seafront cycling track, golf driving range and sports stadium. Likas is also not short of academic establishments, medical centres and supermarkets. Within the vicinity of the development is the city's most prized commercial outlet, Imago and KK Times Square, the business-central hub of KK. LikasVue is designed for both investment and owner-occupiers, with its lifestyle facilities serving the community. It is a place where one can enjoy the view, facilities and amenities at and within the comfort of its home. The conducive living environment is augmented with retail shops, a supermarket and a host of other commercial outlets. Generous wellness facilities include the rooftop sky gym, infinity swimming pool and indoor futsal court amongst outstanding facilities. LikasVue is a modern serviced suites development that offers 650 units in a 36-storey block. With its unique blend of dual key design units ranging from 884 square feet ("sf") to 1,056 sf with 2 to 3 bedrooms, it allows residents to cater to any future generation's requirement.





SURYA PJ SOUTH

Surya PJ South is envisaged to be the new landmark of Klang Valley ("KV") upon completion of its 74 acres master development. Its nucleus location between Petaling Jaya ("PJ") , Old Klang Road and Sunway makes it a desirable place for both owner-occupiers and investors.

Surya PJ South is a rising township comprising a mix of a vibrant commercial hub and modern residences. Its design concept helps to bring the new attraction of the city to the fore with the integration of communal spaces and public design to foster social interaction, where homes are designed for multigenerational living with lush greenery within the master development in the future.

Dwitara Residences @ Surya PJ South was the first residential project launched in this sustainable township. This condominium enclave comprises 2 towers which features both elevated semi-detached and bungalow layouts with sizes ranging from 847 sf 3-bedroom units to 1,236 sf 4-bedrooms dual-key units with 2 car parks



making them an ideal choice for individuals, growing families and multigenerational living. Dwitara Residences also come with an array of more than 30 specially designed facilities exclusively for residents.

The Phase 1 of Surya PJ South - Dwitara Towers 1 and 2 were launched in June and November 2022 respectively.

PROJECT HIGHLIGHTS

MAHOGANY RESIDENCES @ KOTA DAMANSARA



Mahogany Residences is a residential titled project that is situated next to more than 800 acres of forest reserves making it a unique and serene environment to live in. It is an ideal place for both owner-occupiers and investors as there are only 281 exclusive units, with practical unit sizes ranging from 905 sf to 1,623 sf to cater to every homebuyer's needs and requirement.

Every unit comes with a generous balcony space for owners to enjoy the tranquillity of nature and the skylight of Kota Damansara, a well-established neighbourhood blossomed with a variety of residential, commercial and retail properties with mature amenities.

It is easily accessible via major expressways such as the New Klang Valley Express, North-South Expressway, Lebuhraya Damansara Puchong and Penchala Link Highway.

The project was successfully launched in June 2022.



AWARDS AND RECOGNITION



Winner of the Innovative Developer Award 2021/2022
in the Asean Property Developer Award



Gold Award for Best Experiential Marketing by
PPK Malaysia for Category B for 2017 & 2018



Asia Pacific
Property Awards 2016/2017
- Best Retail Development Malaysia



Sabah Tourism Awards 2017
for Best Shopping Complex

AWARDS AND RECOGNITION



Sales Administration Department



Car Park Management

The recipients of this financial year's excellent corporate governance award went to Car Park Management, Sales Administration Department and Information Technology Department. These departments achieved the highest score for their enforcement of sound practices, disclosures and system of internal controls in the financial year under review. The Chairman of the Audit and Risk Management Committee, Mr Chai Yee Choong proudly presented the awards to the General Manager Mr Tang Foh Kiong and Assistant General Manager Mr Lakunan Muniand on behalf of Manager Madam Selvina Kundian of Car Park Management. Also present at the award ceremony was second time recipient Senior Manager Madam Jesslyn Chong of Sales Administration Department and Manager Mr Gunalan N. Villu of IT Department. The award ceremony was conducted immediately after the meetings of the Audit and Risk Management Committee and Board of Directors in the corporate head office, Kuala Lumpur.



Information Technology Department



Car Park Management

SPONSORSHIP AND PROMOTIONAL ACTIVITIES



Sponsor Venue for Zakat Fitrah

27 April 2022 – 2 May 2022

As a CSR project which helps out the poor and needy during these hard times, and in support of Majlis Ugama Islam Sabah, IMAGO has sponsored a venue for the association to set up a Zakat Fitrah Counter during one of the Ramadhan week to collect zakat from Muslim citizen.



Greenpeace Awareness Campaign

24 May 2022 – 29 May 2022, 31 May 2022 – 5 June 2022

IMAGO has sponsored a venue to Omniraise in organising 'Greenpeace Awareness Campaign and Fundraising Activities' to create awareness among the public in preventing an influx of plastics from other countries entering Malaysia.



WWF Awareness Campaign

31 May 2022 – 5 June 2022

As our support to Omniraise, IMAGO has sponsored a venue for their 'World Wide Fund (WWF) Awareness Campaign' to educate and create public awareness on the significance of conserving wildlife and maintaining the natural ecosystem.



Blood Donation Queen Elizabeth II

16 July 2022 – 17 July 2022

IMAGO has sponsored a venue for Hospital Queen Elizabeth II in organising 'Blood Donation Queen Elizabeth II' to promote the idea of (1 Pint Saves 3 Lives) as the supply at our local blood bank is rather low.



Sponsor Venue for National Cancer Council (MAKNA)

24 August 2022 – 26 August 2022

IMAGO has sponsored a venue as support to National Cancer Council (MAKNA) event to promote anti-cancer awareness.

National Cancer Council Malaysia is a not-for-profit social enterprise that works to reduce the pain, suffering and morbidity that cancer patients often experience. It aims to provide curative care, preventive care, cancer research, support services to cancer patients and their families, high-risk groups, as well as the general public in Malaysia and abroad.



Sponsor Venue for Vehicle Theft Public Awareness Campaign with Vehicle Theft Reduction Council (VTREC) and Polis Di Raja Malaysia (PDRM)

25 September 2022

IMAGO has sponsored a venue to Vehicle Theft Reduction Council (VTREC) and Polis Di Raja Malaysia (PDRM) in organising Vehicle Theft Public Awareness Campaign to improve public awareness about Auto-Theft prevention. VTREC is an NGO and a recognised partner of PDRM, which aims to eradicate vehicle theft.

SPONSORSHIP AND PROMOTIONAL ACTIVITIES



Card Fight - Vanguard Bahasa Competition

22 October 2022 to 23 October 2022 &
29 October 2022 to 30 October 2022

IMAGO has sponsored a venue for Card Fight - Vanguard Bahasa Competition Event. Vanguard is a popular Trading Card Game which is originated in Japan.

The main purpose of this campaign is to introduce and cultivate society's interest in tabletops and strategy card games.



World Peace Audition & Artist Showcase

6 November 2022

IMAGO has sponsored a venue for World Peace Audition Showcase which has allowed potential talents to showcase and discover their true potential.

World Peace's artists who performed during the event day are Ismail Izzani with (1.8 million followers on Instagram), Naim Daniel (1.5 million followers on Instagram), Daniesh Suffian (132k followers on Instagram) and Firdaus Rahmat (40.4k followers on Instagram).



Charity for Bantayan Girls Hostel

18 December 2022 – 31 December 2022

IMAGO has sponsored a Hilux for the Bantayan Girls Hostel at Tampuruli to ensure supplies arrive on time and safely at the hostel, built for young female students who live in the rural area and used to walk miles away to school.



'Eva' Film Road Tour – Meet & Greet

14 January 2023

IMAGO has sponsored a venue for D' Alpha Legacy Agency to organize 'Eva' Film Road Tour.

The purpose of this road tour is to bring the public's attention to the film and encourage customers to support the movie. The agency has also arranged for celebrities who are cast in the film such as Mimi Fly, Nadia Brian, Nadia Aqilah and Shamsul Danish to join the road tour.



The Stage Is Yours (Semi-Final)

25 March 2023

The Stage Is Yours (Season 1) is looking for a winner to be the icon representing the youths in making Sabah the main focus of music and vocal arts program in Malaysia.

A semi-final was held at The Oval with 21 semi-finalists battling their vocals and performances.

FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

26 AUGUST 2022

Announcement of the unaudited consolidated results for the 1st quarter ended 30 June 2022

24 NOVEMBER 2022

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 September 2022

23 FEBRUARY 2023

Announcement of the unaudited consolidated results for the 3rd quarter ended 31 December 2022

29 MAY 2023

Announcement of the unaudited consolidated results for the 4th quarter and financial year ended 31 March 2023

ANNUAL REPORT & ANNUAL GENERAL MEETING

31 JULY 2023

Notice of 105th Annual General Meeting and issuance of Annual Report 2023

13 SEPTEMBER 2023

105th Annual General Meeting



MANAGEMENT DISCUSSION AND ANALYSIS

Asian Pac Holdings Berhad (**"Asian Pac"** or **"the Company"**) was incorporated in 1913 and listed on the Main Board of Bursa Malaysia Securities Berhad in 1961.

We are in the business of property development and property investment, where the former is our key revenue driver whilst latter segment provides us a consistent and stable business income growth. Our property development segment focuses on niche market comprising mainly mixed development of commercial shops and high rise residential projects in Klang Valley (**"KV"**) and Kota Kinabalu (**"KK"**). We are pursuing strategic expansion into mid-range and affordable landed residential properties. Our property investment portfolios involve the management and operation of a shopping mall located in KK, Sabah, which is one of the components of our flagship KK Times Square II project, car park management services for more than 7,900 bays in KK and KV and the leasing of 248,822 square feet ("sf") to a hypermarket in Kepong.

We have also taken steps to continue to grow our business organically in the provision of management services to diversify our income streams and achieve greater synergy for Asian Pac and its subsidiaries (**"the Group"**). We have established an in-house facilities management team to focus on the provision of operations, maintenance and management services with the aim of increasing sustainable recurring income as well as supporting the Group's property development projects. In time to come, we plan to broaden our offerings beyond our internal operations as a service provider to external parties.

Financial performance

Profits or Loss

(RM'000)	2023	2022	Changes
Revenue	221,738	138,667	83,071
Cost of sales	(150,672)	(84,899)	(66,773)
Gross profit	71,066	53,768	17,298
Other income	25,134	17,561	7,573
Administrative expenses	(56,911)	(48,826)	(8,085)
Operating profit	39,289	22,503	16,786
Finance costs	(25,472)	(26,810)	1,338
Share of results of associate	170	-	170
Profit/(Loss) before tax	13,987	(4,307)	18,294
Income tax	(10,584)	(466)	(10,118)
Profit/(Loss) for the year	3,403	(4,773)	8,176

The Group ended the financial year 2023 with a return to profitability following the transition journey to the endemic phase after the prolonged pandemic situation over the past two financial years amid sailing through challenging market conditions such as the ongoing resurgence of new strains of the COVID-19 virus infection, rising interest rates, inflationary pressures and accelerated geopolitical tensions over the course of the financial year. All the core operating divisions of the group consisting of property development, mall operations and car park operations reported strong financial performance in the financial year 2023, spurred by the recovery in our economy and return of global travel post-pandemic.

For the financial year under review, the Group recorded an increase in revenue to RM221.7 million, compared to RM138.7 million reported in the previous financial year. The property development segment achieved the highest increase in sales and remained the largest contributor to the Group's revenue in the current financial year, driven mainly by the progressive sales recognition from 3 newly launched project developments along with a newly launched project phase and two ongoing project phases of its current project as distinct from the sales in the previous financial year which were primarily contributed from the completed units of an earlier development project and a land sale. The existing inventory from the

MANAGEMENT DISCUSSION AND ANALYSIS

earlier development project has also been substantially sold as at the current financial year. The mall operations segment also reported stronger revenue on account of improved occupancy rate and higher tenants' retail sales underpinned by the recovery of shoppers' footfall and return of tourists following businesses normalisation and full reopening of borders as compared to the COVID-19 restrictions in the previous financial year. The relaxation of travel restrictions amid the resumption of daily life and economic activities and the recovery of the labour market have also contributed positively to the car park segment which provides a steady and recurrent revenue for the Group. In line with the higher revenue achieved, gross profit increased by RM17.3 million, or 32.2% to RM71.1 million this year.

Backed by the increase in revenue and gross profits, the Group's operating profits increased significantly to RM39.3 million from RM22.5 million last year. The higher operating profits was also partly attributable to fair value gain adjustments on investment properties totalling RM13.3 million in the current year which arose from Imago of RM11.0 million, car parks of RM1.7 million and investment properties of RM0.6 million as compared to net fair value loss adjustment on investment properties of RM11.1 million a year ago. The reversal of the Group's fair value impairment losses on investment properties was attributed to the strong rebound in the earnings of the mall and car parks after the easing of COVID-19 restrictions since the second half of the financial year following the transition of the country to the endemic phase.

Finance cost has decreased slightly by RM1.3 million mainly due to the full redemption of the preference shares of RM25.0 million during the year. Income tax expense has increased substantially to RM10.1 million from RM0.5 million in the preceding financial year mainly due to the reversal of deferred tax income arising from the preceding financial year's net fair value loss on investment properties and higher taxable profits in the current financial year. The improvement of the Group's operating profits has contributed to a profit after tax of RM3.4 million as compared to a loss of RM4.8 million in the preceding year.

Assets and liabilities

(RM'000)	2023	2022	Changes
Assets			
Non-current assets	1,738,763	1,694,616	44,147
Current assets	369,143	324,108	45,035
Total assets	2,107,906	2,018,724	89,182
Liabilities			
Non-current liabilities	699,756	696,915	2,841
Current liabilities	337,454	260,585	76,869
Total liabilities	1,037,210	957,500	79,710
Equity			
Share capital	301,321	213,643	87,678
Reserves	8,983	3,892	5,091
ICULS	–	74,579	(74,579)
Retained profits	761,957	768,121	(6,164)
Equity attributable to equity holders of the parent	1,072,261	1,060,235	12,026
Non-controlling interest	(1,565)	989	(2,554)
Total equity	1,070,696	1,061,224	9,472
Total equity and Liabilities	2,107,906	2,018,724	89,182

MANAGEMENT DISCUSSION AND ANALYSIS

Non-current assets have increased by RM44.1 million to RM1,738.8 million this year mainly attributed to the fair value gain on investment properties totalling RM13.3 million arising from the valuation of Imago, car parks and other investment properties, a new sales gallery constructed for the development projects at Surya, PJ amounting to RM14.0 million and additional costs of RM14.5 million which were largely associated with the development activities incurred on the development land in Surya, PJ for the new phases of its current development projects which are in the planned pipeline launches.

Current assets have increased by RM45.0 million to RM369.1 million mainly due to an increase in contract assets by RM77.9 million arising from the combination of the timing differences between revenue recognition and progress billings to the purchasers for the ongoing projects and sales commissions expenditure to property sales agents along with legal fees borne as consideration payable to the customers for property sales contracts secured. The increase was partially offset by a decrease in property development costs by RM16.7 million due to the progressive recognition of development costs in cost of sales in respect of the ongoing development projects and a decrease in other investments due to the withdrawal of short-term investments totalling RM18.6 million during the financial year.

Total liabilities increased by RM79.7 million to RM1,037.2 million mainly due to higher trade payables and accrued development expenditure relating to the construction costs of the development projects, accruals for agent commissions and legal fees payable and advance consideration received from purchasers totalling RM50.6 million. Additionally, the net drawdown of loan facilities had increased by RM29.1 million to fund the working capital requirements of the various ongoing development projects.

Total equity increased by RM12.0 million to RM1,072.3 million arising from the profit for the year of RM6.0 million and the increase in fair value adjustment reserve of RM6.1 million attributed to an increase in the market value of quoted shares. During the financial year, there was an increase in the share capital of RM87.7 million arising from the full conversion of irredeemable convertible unsecured loan stocks into fully paid-up new ordinary shares.

Cash flow

(RM'000)	2023	2022	Changes
Cash flow (used in)/ generated from operating activities	(2,492)	24,265	>(100%)
Cash flow used in investing activities	(538)	(7,074)	92.4%
Cash flow used in financing activities	(5,475)	(27,795)	80.3%
Cash and cash equivalent	21,347	29,852	(28.5%)

The higher net cash outflow from operating activities was mainly due to payments for the construction of the development projects and an increase in contract assets. The higher cash flow from investing activities was mainly due to an increase in withdrawal of short-term investments and lower development costs incurred on future development, but partially offset by higher short-term deposits pledged to financial institutions and licensed banks for facilities granted to the subsidiary companies of the Group. The increase in cash flow from financing activities was mainly due to an increase in net drawdown of bank borrowings.

We financed our operations primarily through a combination of cash flow generated from operations and loan facilities. The gearing as at the end of the financial year 2023 was higher at 39.8% as compared to 38.0% as at the end of the financial year 2022 mainly due to an increase in the net drawdown of bank borrowings coupled with an increase in trade and other payables.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Development

Business and Strategies

In line with our business strategies for the financial year 2023, we have been aggressively executing marketing and sales activities to increase the take-up rates of unsold inventories and newly launched projects during the period.

On product developments, the team has been engaging with customers via surveys to ascertain the most suitable product for the Group's future projects based on potential buyers' preferences, needs and wants.

Internally, we continue to streamline and improve the effectiveness and efficiency of the existing system and processes, as part of our initiative to optimise better results in terms of time, cost and quality of the Group's deliverables.

During the financial year, our Sales and Marketing team continues to explore innovative ways to engage with our potential purchasers by leveraging on social media and digital platforms to capture a larger market share which will facilitate the property buying process and promote public awareness of the Group's brand. The team will continue building the Group's brand that has lasted for more than 110 years in June 2023.

Amidst the current uncertainties, we are mindful of continuously managing costs with the implementation of various cost management measures including renegotiation of building materials procurement contracts for construction use.

More importantly, to stay above the competition, the Group envisages to adopt the blue ocean and best value strategy to create the best possible product at the highest possible value to the Group's discerning buyers, which consequently will provide the best possible returns to all stakeholders.

Review of Operations

Property development segment is accounted for the highest revenue contribution for the Group and achieved higher growth in the current financial year 2023 with an increase in revenue by 77.7% to RM143.2 million from RM80.6 million in the previous financial year. Correspondingly, gross profit has increased by RM5.6 million to RM19.2 million this year from RM13.6 million in the preceding year.

The better revenue and profits performance for the financial year was largely attributed to the Group's launches of 3 new project developments, namely Mahogany Residences at Kota Damansara, Dwitara Residences @ Surya PJ South consisting of Tower 1 and Tower 2, LikasVue Residences in KK as well as a new phase of terrace link houses from the Rimba Hills' existing mixed development project which are launched in stages, along with the sale of completed inventories which is substantially sold during the current financial year 2023.

During the financial year 2023, the group has launched and reaped some good sales take-up for the projects below :

Rimba Hills

The last phase of Rimba Hills' double-storey terrace link houses project was launched in the first quarter of 2023 and has achieved commendable results, whereby the project has achieved sales conversion of 91% of its 22 units of shops, 80% of the 90 units townhouses and 85% of its 46 double-storey link houses as at the financial year ended 2023.

LikasVue is a modern serviced suites development that offers 650 units in a 36-storey block. With its unique blend of dual key design units ranging from 884 sf to 1,056 sf with two to three bedrooms, it allows residents to cater to any future generation's requirement.



The project was launched in October 2022 with positive response from the public and recorded a 32% sales take-up rate as at the financial year ended 2023.

MANAGEMENT DISCUSSION AND ANALYSIS



Surya PJ South

Dwitara Residences @ Surya PJ South was the first residential project launched in this 74-acres strategically located sustainable township. This condominium enclave features both elevated semi-detached and bungalow layouts with sizes ranging from 847 sf three-bedroom units to 1,236 sf four-bedrooms dual-key units with 2 car parks making them an ideal choice for individuals, growing families and multigenerational living. Dwitara Residences also come with an array of more than 30 specially designed facilities exclusively for residents.

The Tower 1 of Dwitara Residences comprising 439 units was snapped up by the general public within the first day of its launch in June 2022.

Tower 2 of Dwitara Residences has received continuous traction for its popularity in terms of design and value created which is evident by its achievement of 90% take-up rate within the first week of its launch in November 2022.

Mahogany Residences @ Kota Damansara

Mahogany Residences is a residential titled project that is situated next to more than 800 acres of forest reserves making it a unique and serene environment to live in. It is an ideal place for both owner occupiers and investors as there are only 281 exclusive units, with practical unit sizes ranging from 905 sf to 1,623 sf to cater to every need and requirement.

Mahogany Residences was launched in the second half of 2022, and the take-up was very encouraging at more than 50% take-up rate as at the financial year ended 2023 despite the slow sentiment of the property industry. The construction progress of Mahogany Residences is fast taking shape in adding to the skyline of Kota Damansara.



Anticipated Risks

With the reopening of all economic sectors and countries' borders and economic activities on the rise, improvement in buyers' sentiment and robust consumer spending have provided great impetus for both businesses and jobs market, thus reducing unemployment rate. This was evident in the increased number of enquiries and sales made for Surya PJ South and Mahogany Residences which were launched during the financial year.

However, with the upcoming six states elections, it is expected that property buying sentiment may be affected as potential buyers will adopt a more cautious and 'wait and see' approach in their buying decisions.

The unfavourable Overnight Policy Rate ("OPR") hikes by Bank Negara Malaysia ("BNM") from 2.00% in May 2022 to 3.00% as at todate will also dampen the demand for property purchase as loan repayment amount increases with the interest rates hike and thus result in lower disposable household income which is already strained by the high inflation. Any further OPR hikes may further hamper the property market.

Outlook

For the forthcoming financial year 2024, the Group will continue to promote and sell its unsold inventories and the newly launched products, as well as focus on developing its planned projects in the pipeline which are to be rolled out in stages. Despite the challenges and the uncertain economic and market environment, we remain optimistic and positive as properties being the best investment and resilient in the long term as an instrument to hedge against inflation. We may also be gaining from the weakening currency that is part of the appeal of Malaysian properties to attract foreign investors back into the market. We will continue to stay focus and be agile in re-assessing and re-calibrating our strategies in products development as well as launching plan in navigating through the ever-changing and dynamic market & economic environments.

MANAGEMENT DISCUSSION AND ANALYSIS

Mall Operations

The retail industry plays a crucial role in Malaysia's economy, contributing significantly to employment, Gross Domestic Product ("GDP"), and tax revenues. The sector encompasses a wide range of businesses, including traditional brick-and-mortar stores, modern shopping malls, and rapidly growing e-commerce platforms. Imago continues to be at the forefront of shopping malls in Sabah as it remains a lease-only non-stratified mall, giving better control of trade mix, tenant mix, and operations.

In 2022, Malaysia's GDP reached RM1.79 trillion and registered a higher growth rate at 8.7% as compared to 3.1% in the previous year. The positive economic performance has been driven by various factors, including private consumption, investment, and government spending. According to the Department of Statistics Malaysia, the retail trade recorded a value of RM440.5 billion in 2022, contributing approximately 15% to the nation's GDP. This demonstrates the sector's substantial economic impact and its importance as a key driver of growth. In the fourth quarter of 2022, the market size of the retail sector recorded a year-on-year growth rate of 13.7%. The positive trajectory is expected to continue, with forecasts projecting a compounded annual growth rate ("CAGR") of 9.8% from 2022 to 2027.

Consumer spending patterns have evolved with changing demographics and lifestyle preferences. Rising disposable income, urbanization, and a growing middle class have contributed to increased spending on retail goods and services. In 2022, household spending accounted for approximately 59% of Malaysia's GDP. Key areas of expenditure include food and beverages, apparel, electronics, and healthcare products. These are key indicators to help us plan for trade mix and tenant mix adjustments in the future tenancy cycles, where one of the major strategic adjustments is to increase food and beverages tenants into the retail mix.

Business and Strategies

The rapid growth of e-commerce has also transformed the retail landscape in Malaysia. With increasing internet penetration and smartphone adoption, online retailing has witnessed remarkable growth during the pandemic, with consumers embracing e-commerce platforms and digital payment systems. The Malaysia Digital Economy Corporation (MDEC) reported that Malaysia's e-commerce sales have surpassed RM1 trillion in 2021 and is on track to achieve RM1.65 trillion by 2025. This shift towards online shopping has prompted retailers to adopt omnichannel strategies, blending physical stores with digital experiences to enhance customer engagement and increase sales. As such, we have successfully launched our own mobile app on Apple Store and Google Play Store, creating a new channel to reach out to consumers and shoppers. It allowed digital redemption of various gifts and merchandise, especially during festivities such as Hari Raya Aidilfitri and Kaamatan (Sabah's harvest festival). We will continue to add features and functionalities to the mobile app with the vision of creating a new interactive platform for its consumers and shoppers.



MANAGEMENT DISCUSSION AND ANALYSIS

The retail industry in Malaysia is highly competitive, with a mix of international and domestic players. Major retailers, including hypermarkets, department stores, and specialty stores, continue to dominate the market. However, small-and-medium-sized enterprises also play a significant role, particularly in offering niche products and personalized services. Intense competition has led to innovative marketing strategies, pricing initiatives, and expansion efforts to capture market share.

The shopping mall sector is an integral part of the retail industry, providing a platform for numerous retailers and creating employment opportunities. According to PPK Malaysia, the number of shopping malls in Malaysia surpassed 600 malls in 2022, with a total net lettable area of approximately 56 million sf. The sector faced challenges during the pandemic, with reduced footfall and tenant mix disruptions. However, it has adapted by introducing innovative measures, such as enhanced safety protocols, experiential retail concepts, and tenant support programs. We have therefore continued with ISO 9001 Quality Management System in Imago in ensuring that processes and procedures remain a high priority in day-to-day operations as it has helped guide us through the difficult period of COVID-19.

Review of Operations

Imago's operations continue to contribute sustainable rental income for the Group at 29.1% of the total Group's revenue. The mall operations segment registered total revenue of RM65.6 million with an operating profit of RM40.3 million, representing an increase of RM17.0 million or 34.7% and RM11.4 million or 39.6%, respectively from the preceding corresponding financial year on the back of an economic recovery.

The better revenue and results performance led to a higher operating profit margin of 61.4% achieved in the current financial year as compared to 59.3% last financial year. The operating profit mentioned here did not take into consideration the net fair value adjustment on investment properties and interest expenses of RM1.7 million and RM29.1 million in the current and previous year respectively.

After the need for social distancing due to COVID-19, we have returned to organise various events, activities, and promotions as constraints were released. We have organised several major events, decorations and set up that received overwhelming public reception, such as Hari Raya, Kaamatan, a creative Cosplay event for Halloween, Deepavali, Christmas, and Chinese New Year amongst others. These not only helped in promoting Imago again to the public, but the diverse programs that was organised were able to pull in new market segments and continued to boost consumption, which helped our tenants.

Technological advancements, such as artificial intelligence, big data analytics, and augmented reality, are reshaping the retail landscape. We will continue to be opened to such technologies and will explore opportunities to enhance its shopping experience as consumers now look beyond traditional spending to having a lifestyle. We also believe that new collaboration technologies offer opportunities for improving operational efficiency, enhancing customer engagement, and optimising marketing strategies. Embracing and leveraging technology will be crucial for us to stay relevant in the digital age.

With growing environmental awareness, consumers are increasingly demanding sustainable and environmentally friendly products and practices. We have continued to adopt green initiatives, such as energy-efficient operations, waste management, and sustainable sourcing, to meet consumer expectations and contribute to environmental



MANAGEMENT DISCUSSION AND ANALYSIS



conservation. We continue to implement ISO 14001 Environmental Management System as a core standard in its operations, as it believes to be a responsible player economically, environmentally, and sustainably.

The retail industry and shopping mall sectors in Malaysia are expected to continue their growth trajectory in the coming years. According to a research firm, the retail market is projected to reach RM573 billion by 2024, growing at a CAGR of 5.3% from 2022 to 2024. Locally in KK, this is supported by the potential return of international tourists. For the four months from January 2023 to April 2023, Sabah has finally witnessed a post-COVID recovery as tourist arrivals grew 365.5% year-on-year from 370,000 in the same period last year as compared to 1.7 million in 2023. According to the Sabah Tourism Board, tourism receipts grew 433% to RM3.18 billion during the period. As such, we have taken active steps in strengthening its position with tourists via various initiatives, including facilitating ease of payment such as expanding collaboration with Alipay directly.

Anticipated Risks

We anticipate that the prospect of the upcoming six states elections in Malaysia will hinder certain expansions as brands might consider a “wait-and-see” attitude until the dust settles.

The macroeconomic situation may also affect retail spending as the currency slips further against major currencies, especially if there is a significant increase in the retail price as people look towards cheaper or cost-effective alternatives. This is particularly so as Sabah relies heavily on freight forwarding as most products are not locally produced. With the significant increase in logistical costs, it will affect undoubtedly product pricing. Additionally, the five consecutive interest rate hikes by BNM totalling 125 basis points since May 2022 are also expected to discourage consumers’ spending. Without significant international tourism to revitalise the local economy in Sabah, we believe spending patterns will continue to be cautious.

Mall operations will see a significant impact from the move by the government to implement a monthly minimum wage of RM1,500. We believe this will have a snowball effect that will eventually also lead to higher pricing as costs, already affected by logistics and a weakening currency, will be further affected. As a result, we expect retail spending to be in extremely cautious mode.

Outlook

We have demonstrated resilience and adaptability in the face of COVID-19. Imago has also shown a remarkable recovery amidst the headwind of omnichannel experiences, and we believe the online consumption of goods will continue to grow. We will accelerate the expansion of digitalization in the transformation of Imago. However, and most importantly, we aim to transform it as an experiential destination for lifestyle consumption.

We will also look at opportunities for additional growth in various other locations but will proceed cautiously to optimize stakeholders’ value as Imago continues to establish itself as a responsible and reliable brand that has gained the trust of local, national, and international brands.

MANAGEMENT DISCUSSION AND ANALYSIS

Car Park Management

Business and Strategies

When Malaysia transitioned into the endemic phase on April 1, 2022, more and more companies normalised their operations, leading to a gradual return of employees to their workplaces. Despite the cautious approach of still wearing masks, people are now more at ease and have started patronising shopping malls, eateries, convenience stores, and other establishments for their needs and enjoyment. As a result, our car park business experienced a significant positive impact and a steady recovery throughout the financial year 2023, surpassing the challenges posed by the COVID-19 era with a remarkable pace and continuous improvement.

Under the Group, we own, manage and operate 4 car park sites namely, Imago car park, KK Time Square 1 car park and Kamamunsing Capital car park in KK, Sabah respectively, and a multi-storey car park in Kepong, Kuala Lumpur. Additionally, we also manage and operate 2 other car park sites in PJ at Kelana Square and Zenith Corporate Park.

Learning from the COVID-19 crisis, the safety of our customers and staff has always been our priority and remaining contactless is one of the safety measures. Hence, in our planned programme since 2021, the Group prioritises the implementation of contactless, cashless and ticketless parking system at all these car park sites which are being rolled out in stages.

We have successfully implemented cashless, contactless and ticketless system at Kelana Square and KK Time Square 1 car park sites during the financial year in May 2022 and November 2022 respectively and have expanded to other car park sites at Zenith Corporate Park and Imago in April 2023 and May 2023 respectively.

As for the Kepong's multi-storey and Kamunsing Corporate car park sites, both are still understudied for the appropriate timeline to implement in due course.

The implementation of cashless parking systems is anticipated to achieve cost savings arising from maintaining the aging parking equipment, eliminating expenses related to magnetic access tickets and optimising the workforce. Moreover, these systems aim to enhance users' convenience by reducing the need for car owners to walk and queue at the autopay system car park machines for payment. Since the adoption of cashless payment solutions, collections at our car park sites have seen remarkable improvement, demonstrating their efficiency and effectiveness in both revenue collection and pilferage control.

In our pursuit of higher revenue, the Group is still actively seeking acquisition opportunities for viable car park businesses which are strategically located with significant growth potential. Additionally, we are exploring new markets to expand our service offerings in car park management services to external parties. As a first step, we have partnered with a reputable local car park equipment and system supplier, which boasts a global sales network covering over 150 countries. This partnership enables us to participate in setting up systems and managing sites for new opportunities. Furthermore, our car park division has established a dedicated business development department solely focused on planning and enhancing the business portfolio, ultimately driving revenue growth.

The current challenging economic situation has led to a softer market for bulk parking and storage of used motor vehicles among dealers. The transactions for used cars sales have been slow. Therefore, in maximising occupancy, additional services such as car washing services have been set up for patrons.

Review of Operations

Car park operations contributed RM9.7 million in revenue representing a growth of 31.6% year on year with the full reopening of borders and recovery in the labour market in Malaysia following its transition from the pandemic to the endemic phase since the beginning of the financial year 2023, leading to rebound in our car park revenue. Corresponding to the strong revenue performance, operating profit (before fair value adjustment of investment properties) increased by 28.3% to RM3.3 million in the current financial year end.

MANAGEMENT DISCUSSION AND ANALYSIS

**Anticipated Risks**

The car park industry may face challenges of increased competition from new parking operators. With the growing demand for parking spaces, new companies may enter the market and compete with the existing players. This could lead to a reduction in profit margins and an increased pressure on pricing.

Any changes in parking policies and regulations by the Malaysian Government on parking fees or imposition of new regulations may result in additional overhead costs for parking operators or impact the operations of existing parking facilities.

A potential increase in electricity consumption rates could also lead to higher operating costs, which would negatively impact our bottom line.

A risk of economic recession could lead to retrenchments and high unemployment rate, thus fewer people will be driving their cars during a recession, which may result in a decline in demand for parking spaces and adversely affect our car park collections.

The impact of natural disasters or resurgence of new COVID-19 variants may damage the car park facility and disrupt the normal operations of the car park businesses.

Despite that emerging technological advancements may enable a more efficient use of parking spaces to best serve our customers, technology trends could result in an adverse effect on the revenue of traditional parking operators as they may not be able to compete with new technology-based solutions which require the operators to incur substantial capital expenditure, upgrading costs or installation costs for the new system.

Notwithstanding the abovementioned anticipated risks, the Group has taken certain steps to circumvent and mitigate those risks, by staying abreast with new regulatory directives by the Malaysian Government, monitoring the competition, focusing on value creation for the shareholders which is in line with the Group's long-term strategy, diversifying revenue streams, embracing technology and having contingency plans being drawn up to ensure business continuity during economic uncertainties.

Outlook

In Malaysia, one of the technology trends that may affect the car park business is the growth of electric vehicles. This may create new opportunities and challenges for the car park business as there may be a necessity to invest in electric vehicle infrastructure such as charging station points for electric vehicles to cater to the changing preferences of customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Another factor that may influence the car park business in Malaysia is the extent of adopting innovation and technology to manage and optimise the parking spaces which amongst others, include online payment, online seasonal applications, smart parking systems, parking guidance systems and license plate recognition. These technologies may help to improve customer satisfaction, operational efficiencies and thus, revenue contribution for the car park businesses.

The outlook for the car park business in Malaysia remains positive in the coming years. The growth in urbanisation and the number of vehicles on the road has driven an increase in demand for parking spaces, which presents a significant opportunity for the existing and new parking operators.

The Group is well-positioned to take advantage of the opportunity in generating higher recurring revenue from the upward trend in the demand for parking spaces in the long term as the Group's car park properties are strategically located in vibrant commercial areas. Additionally, the implementation of contactless systems at the four car park sites of the Group is expected to not only improve operational efficiency and further enhance revenue but also aims to streamline the parking process and reduce potential losses from theft or pilferage.

Based on a report by Universiti Putra Malaysia there were 33.3 million registered vehicles nationwide versus the human population, which stood at 32.6 million in 2022. As revealed by the Malaysian Automotive Association ("MAA"), a total of 720,658 vehicles were sold in Malaysia in 2022, and this represented an increase of 211,775 units of the 508,883 units. As of May 2023, MAA reported there is a total of 174,893 new vehicles being sold. The official Total Industry Volume (TIV) forecast by MAA was 636,000 units in 2023 (2022 : 630,000 units).

The positive performance records in vehicle sales and ownership are seen as promising factors for car park businesses. The increase in registered vehicles nationwide, surpassing the human population, signifies a potential need for adequate parking facilities. With an increasing record of vehicle owners, the demand for parking spaces is likely to persist. As the car park business is often considered cash cow businesses which generate steady income stream, it is expected that the income stream from the car park operators will contribute sustainable returns to shareholders.

Overall, the car park business in Malaysia is expected to grow and present opportunities for investment and expansion, particularly with the increasing demand for smart parking solutions and parking spaces. The growing demand for smart parking solutions indicates a strategic move for car park operators to continue leveraging on innovative technologies to enhance user-friendly parking experiences, ensure convenience, provide hassle-free parking options and improve operational efficiencies.

Furthermore, the Malaysian Government's investment in infrastructure development, which includes the construction of new parking facilities is expected to create additional prospects for private car park operators. Collaborating with the government on these projects would enable private operators to access new markets and expand their operations.

However, it is important to note that with the increasing competition in the car park industry, differentiation is crucial for parking operators. By offering the conveniences of technologies such as online booking, cashless payment options or integration with navigation apps, car park operators can attract customers and stand out from competitors in today's new norms. Accelerating the adoption of technologies and staying abreast with the current trend of consumers' preferences will be the key factors for car park operators to stay competitive in the evolving car park business landscape.

In summary, while the car park business in Malaysia presents opportunities for investment and expansion, it is vital for operators to harness innovation and differentiate themselves from competitors in meeting the changing needs of consumers.

Dividend Policy

The Board of directors does not recommend any dividend for the financial year ended 31 March 2023. The Board of directors has not adopted a dividend payout policy.

SUSTAINABILITY STATEMENT

The Board of Directors of Asian Pac presents this Sustainability Statement (**"Statement"**) for the financial year ended 31 March 2023 (**"FY2023"**) which discloses the economic, environmental, and social risks and opportunities of the Group and how they are managed.

In line with the development in the Malaysian market pertaining to sustainability disclosure, including the latest amendment to the Main Market Listing Requirements (**"MMLR"**) introduced by Bursa Malaysia Securities Berhad (**"Bursa Securities"**), the Group continuously seeks to enhance its internal processes and disclosure practices. This year, the materiality assessment of the Group's material sustainability matters (**"MSMs"**) has been reviewed and updated. The outcome of the review was reported to the Board and disclosed in this Statement.

Reporting Scope and Period

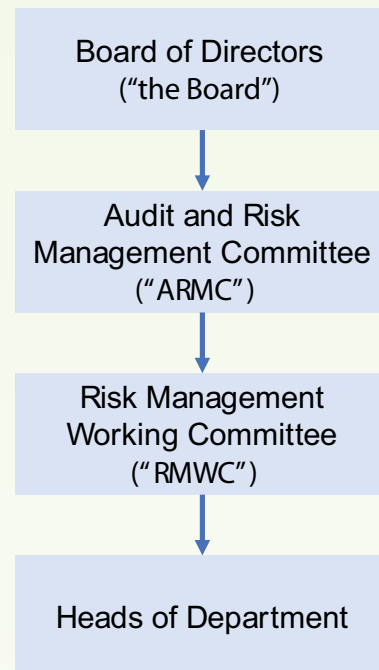
The scope of this Statement continues to focus on the Group's three (3) main business segments, namely the Property Development Segment, Mall Operations Segment, and Car Park Operations Segment for the reporting period from 1 April 2022 to 31 March 2023, unless otherwise stated. This Statement only covers the Group's three (3) car park operations in Kota Kinabalu, which are owned and managed by the Group. It does not cover the car park operation in Kepong and two (2) other car park operations in Kelana Square and Zenith Corporate Park, where the Group offers management services only.

For more information on the operations of each segment, please refer to the Highlights Section and Management Discussion and Analysis Section available in this Annual Report.

This Statement is prepared in accordance with the MMLR of Bursa Securities and has considered relevant elements of the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits.

Governance Structure

Structure governance is crucial in ensuring that sustainability is integrated into our long-term growth strategy and that the roles and responsibilities for every respective personnel and level are clearly stated. In this regard, we also have a Sustainability Management Framework to provide the relevant guidance.



The Board holds the ultimate responsibility to ensure sustainability considerations are incorporated into the Group's long-term value creation and company strategy. This includes overseeing the Group's overall sustainability performance, sustainability governance and management leadership, and relevant policies which set out the overall sustainability direction of the Group. The Board reviews sustainability approaches and performance at least once a year.

The Board is assisted by the ARMC whose delegated responsibilities include:

- overseeing the adequacy and effectiveness of the Group's sustainability management and reporting process; and
- reviewing and ensuring sustainability matters material to the Group's business operations are considered and managed.

SUSTAINABILITY STATEMENT

Supporting the ARMC is the RMWC which is composed of key management personnel of the Group, including heads of key functions and departments, and is led by the Chairman of RMWC who is also the Financial Controller. The RMWC is responsible for supporting the Board and ARMC in identifying, assessing, reviewing, and managing the Group's MSMs. It ensures sustainability strategies and management approaches approved by the Board are in place and operating effectively, through the RMWC member's respective roles in the Group's day-to-day management. In addition, the RMWC is also responsible for ensuring adequate communication and disclosure efforts pertaining to sustainability management and performance. The RMWC together with the Managing Director will monitor the implementation of sustainability-related measures and actions in achieving the Group's sustainability milestones and goals.

The Managing Director brings leadership to the management team to drive the Group's overall sustainability performance and targets, including continuously enhancing the Group's sustainability-related processes in relation to governance, policies and procedures, and providing appropriate decision-making and value-added input.

Stakeholder Engagement

To establish a robust relationship with our stakeholders, we have in place established stakeholder engagement approaches to engage stakeholders via various platforms. Through these engagements, we aim to identify the key concerns of our stakeholders and gain an understanding of their needs. The feedback received from stakeholders plays an important role in shaping our reporting and disclosure practices and forms the foundation of our materiality process.

During the financial year under review, we performed a review of our stakeholder engagement approaches and the associated key focus areas. The summary of engagement approaches, frequency, and key concerns is summarised as follows:

Key Stakeholder	Key Concerns	Method of Engagement	Frequency of engagement
Employees	Employee benefits & remuneration	Performance Appraisal	Annually
	Career development		
	Work efficiency & effectiveness	ISO 9001:2015 Quality Management Systems	Throughout the year
	Workplace Safety and Health	OSHA meetings Constant briefings and meetings	
	Work life balance	Group Events	
Customers and end consumers (Property Development)	Product Design & Efficiency	Social media surveys	Ad-hoc basis
	Product Pricing	Market surveys	
	Quality and product workmanship	Application software	Throughout the year
	Customer Satisfaction	Enhanced digital media interfacing via social media platforms	
Customers and end consumers (Mall)	Safety and security	Incident reports	Throughout the year
	Customer Satisfaction	Customer surveys Social media engagements	
	Affordability	Marketing and promotional events Digital campaigns	

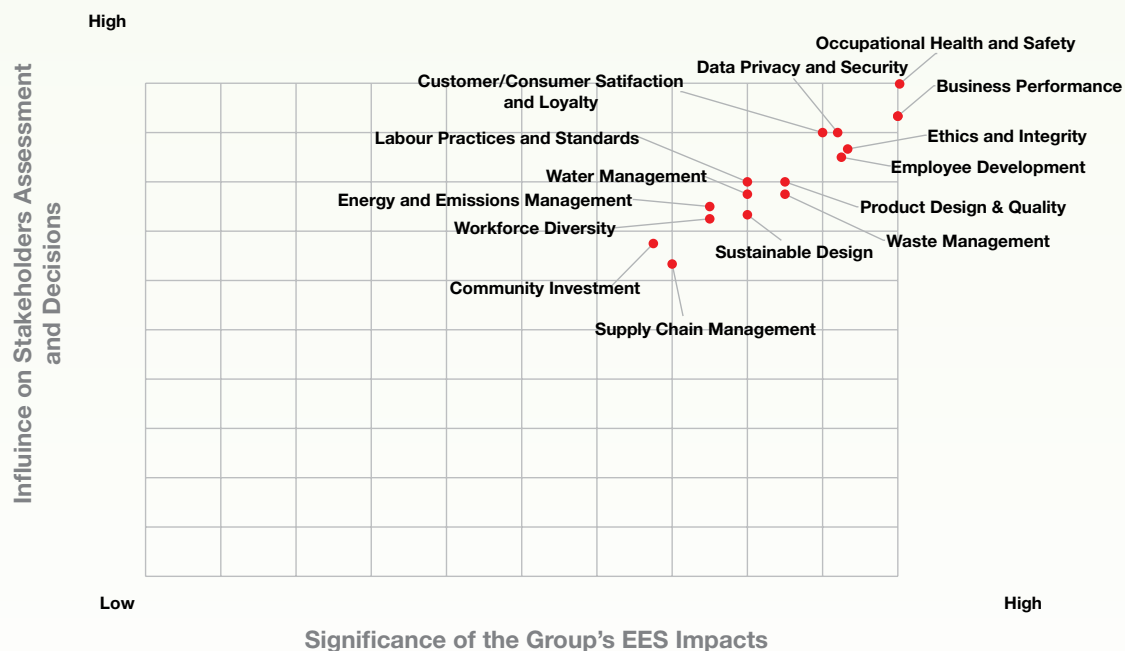
SUSTAINABILITY STATEMENT

Key Stakeholder	Key Concerns	Method of Engagement	Frequency of engagement
Customers and end consumers (Car Park)	Safety and security	Incident reports	Throughout the year
	Customer Satisfaction	Customer surveys	
Investors and shareholders	Financial Performance	Annual General Meeting Quarterly result announcement	Annually/ Quarterly
	Corporate Governance	Annual General Meeting Corporate Governance Report Corporate Governance Overview Statement	Annually
Financial Institutions and lenders	Return on Investment	Engagement sessions through meetings and conferences	Throughout the year
	Financial Performance	Quarterly result announcement	Ad-hoc basis
	Fulfilment of financial obligations	Regular financial performance reviews	Throughout the year
Government Agencies, Law Enforcers and Regulators	Regulatory compliance	Workshops and trainings	Throughout the year
	Corporate Governance	Audits	Ad-hoc basis

Material Assessment

We conducted a comprehensive review of Asian Pac's materiality assessment during FY2023 to identify any changes to the sustainability-related risks and opportunities of the Group's business segments. The review was conducted by members of the RMWC and representatives of the business segment. The review has also taken into account whether the sustainability matters reflect Asian Pac's significant economic, environmental, and social ("**EES**") impacts and whether they substantively affect stakeholders' assessments and decisions. We have also considered the common MSMs as prescribed by Bursa Securities in the latest sustainability-related amendments to the MMLR.

The following diagram illustrates the Asian Pac's MSMs on a Group basis.



FY2023 Materiality Matrix for the Group

SUSTAINABILITY STATEMENT

Through the materiality assessment review, fifteen (15) MSMs have been identified, including six (6) MSMs which have become more material, namely Ethics and Integrity, Waste Management, Labour Practices and Standards, Water Management, Energy and Emissions Management, and Supply Chain Management. The most important MSMs identified for our Group are Occupational Health and Safety and Business Performance.

RESPONSIBLE AND ETHICAL BUSINESS PRACTICES

Associated MSMs

- **Ethics and Integrity**
- **Data Privacy and Security**
- **Labour Practices and Standards**

The Board is committed to upholding high standards of ethical conduct and fostering a healthy corporate culture that promotes integrity, transparency, and fairness.

Code of Conduct and Ethics

A Code of Conduct and Ethics ("Code") is established and implemented by the Group. This Code serves as a clear communication of the Group's commitment to maintaining and promoting appropriate standards of ethical conduct and behaviour at all levels of the Group's business, including Directors and employees. The Board reviews the Code regularly to ensure that the Code continues to be relevant and updated.

The Code addresses the following key matters, amongst others:

conflicts of interest	anti-bribery and corruption	gifts, benefits or entertainment
confidential information	inside information and securities trading	proper use of assets and equipment
business records and control	support sustainable practices	health and safety
sexual harassment	outside interest	fair and courteous behaviour
	misconduct	compliance with the law

To ensure that all employees, including existing and new employees, are fully informed about our business culture and practices, they are required to sign and acknowledge their understanding and conformance with the Code.

Anti-Bribery and Corruption

The Group has developed an Anti-Bribery and Corruption Policy ("**ABC Policy**") with the purpose of promoting ethical business practices that are aligned with industry standards and contribute to the sustainable growth of the Group. We are also committed to engaging with our business partners, regulators, and law enforcement agencies to promote a workforce environment that is free from bribery and corruption. The ABC Policy is applicable to all directors, employees, joint-venture partners, internal and external agents, consultants, third-party contractors and parties who do work or perform services on behalf of the Group.

This ABC Policy sets out the policies and procedures of the Group in dealing with corruption risks. It adopts a risk-based approach which is incorporated into the Group's risk management and internal auditing processes. In addition, due diligence processes are in place to assess third parties and high-risk transactions. The ABC Policy also provides guidelines to our employees on how to deal with gifts, entertainment and hospitality expenses, public officials, charitable contribution and donations, political donations, facilitation payments, and third parties, commissions and incentives.

SUSTAINABILITY STATEMENT

Various anti-bribery and corruption internal approaches and controls are undertaken by the Group such as segregation of duties, delegation of limits, and checks and balances. The Group's internal audit is also responsible to incorporate the risk of bribery and corruption into its risk-based audit activities.

Internal training or briefing on anti-bribery and corruption topics are arranged or provided by the HR Department periodically to increase our employees' awareness of the Group's ABC Policy. At the same time, briefing on anti-bribery and corruption is included as part of the new recruit's orientation process. To ensure that all employees have a thorough understanding of the Policy implemented by the Group, all employees are required to sign an acknowledgement letter.

All employees of the Group have been communicated on our anti-corruption stance.

Percentage who has received communication on the Group's ABC Policy	FY2023
Directors	100%
Employee Category	
Senior Management	100%
Management	100%
Managerial	100%
Executives	100%
Non-Executives	100%

Whistleblowing

To promote transparency and combat bribery and corruption, employees are encouraged to seek clarification from their immediate supervisor or the Legal Department if they have any concerns or questions regarding bribery and corruption. In order to facilitate a safe reporting environment, we have established a Whistleblowing Policy that allows our employees and stakeholders to report or whistleblow any actual or suspected violations of the Group's Code, as well as relevant policies and procedures including the ABC Policy.

The Group ensures that no individual who reports violations in good faith will face discrimination or retaliation. We are committed to ensuring the protection of whistleblowers and ensuring that they are treated fairly and without prejudice. Reports will be viewed seriously and investigations and actions will be taken appropriately to address any misconduct or violation. During the financial year under review, there were zero (0) confirmed incidents of corruption received by the Group.

Group	FY2023
Confirmed incidents of corruption	0

Data Privacy and Security

The safeguarding of confidential and sensitive information is provided in the Group's Code and internal processes of the Group. All employees are strictly prohibited from disclosing such information and are also required to protect the privacy and data confidentiality of our customers. In addition, training or awareness sessions, including data security and cybersecurity, are also provided to employees from time to time. Amongst others, employees are brief or trained on the latest advancements, best practices, and potential risks in the rapidly evolving digital landscape.

We are pleased to report that there were no substantiated complaints concerning breaches of customer privacy or losses of customer data.

Group	FY2023
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0

SUSTAINABILITY STATEMENT

Labour Practices and Standards

We also uphold the principles of human rights by ensuring adherence to labour standards, including avoiding and preventing all forms of child labour, forced labour, trafficked labour, and preventing excessive working hours. During the financial year under review, there were no substantiated complaints concerning human rights violations received by the Group.

Group	FY2023
Substantiated complaints concerning human rights violations	0

DRIVING BUSINESS PERFORMANCE

Associated MSMs

- **Business Performance**
- **Customer/ Consumer Satisfaction and Loyalty**
- **Supply Chain Management**

Business Performance

Business performance is one of the Group's fundamental focuses to ensure the short to long-term sustainability of the business. We hold the responsibility towards our investors to effectively manage our shareholders' assets and capital, in addition to creating shared value for other stakeholders.

For more information on the business performance of the Group and each segment, please refer to the Management Discussion and Analysis Section in this Annual Report.

Customer/ Consumer Satisfaction and Loyalty

We create value for our customers and consumers via the quality of our products and services, which are also central to all our three (3) business segments. Not only do we strive to meet the expectations of our customers and consumers, but we also endeavour to develop a sense of satisfaction and loyalty among our customers. This is the relationship we want to build with our customers and consumers.

In order to serve and deliver value to our customers and consumers, we have various established channels to engage with them to understand their needs and wants, including identifying any potential gaps or areas for improvement. Through the outcome of our engagements, we are able to develop strategies to attract new customers and markets, as well as retain existing ones.

Supply Chain Management

In driving our business performance and customer and consumer satisfaction and loyalty, our supply chain also plays an important role.

For the Group's property development projects, we evaluate our contractors and service providers carefully to ensure consistent and timely delivery of quality products. In this regard, we have a stringent supplier assessment process which considers various qualities of contractors and service providers, including track record, industry reputation, capacity, qualification, and others. Amongst others, we require contractors to have valid Construction Industry Development Board ("CIDB") Green Cards and comply with relevant laws and regulations including environmental and employments, such as not to use illegal workers, in relation to all our projects.

The Group undertakes ongoing efforts to enhance its sustainability including in the areas of environmental, social, and governance. We also endeavour to understand key parties in our supply chain and how sustainability considerations are incorporated in their business, especially in relation to compliance-related matters. We actively communicate with the relevant stakeholders, such as consultants, architects, contractors, suppliers, and vendors.

SUSTAINABLE PRODUCTS AND SERVICES

Associated MSMs

- **Product Design and Quality**
- **Sustainable Design**
- **Energy and Emissions Management**
- **Waste Management**
- **Water Management**

The Group strive to offer products and services which are sustainable and environmentally responsible. This begins with incorporating environmentally sustainable in our project designs and adopting sustainable practices in our business operations.

The Group's property development operation is certified with ISO 9001:2015 Quality Management Systems ("QMS"). On the other hand, our mall operation is certified with ISO 9001:2015 QMS and ISO 14001:2015 Environmental Management Systems ("EMS"), while the car park operation has achieved ISO Integrated Management System certification which includes ISO 9001:2015 QMS, ISO 14001:2015 EMS, and ISO 45001:2018 Occupational Health and Safety Management Systems ("OHSMS"). By adhering to the stringent requirements of these standards, which are regularly audited by external, independent ISO auditors, we ensure ongoing monitoring and management of quality throughout our operations. This allows us to maintain consistently high performance and deliver exceptional services to our valued customers.

The EMS systems enable our operations to systematically consider and manage the Group's environmental responsibilities, impacts, and performance. Amongst our various environmental efforts, we monitor the utilisation of our energy, waste, and water, in addition to compliance with applicable environmental laws and regulations. Where possible, we pursue energy efficiency and help to reduce the impact of climate change by using less fossil-based energy, thereby helping our operations to transition to a lower carbon operating model. On the other hand, we have processes to ensure scheduled waste is disposed of properly via licensed contractors.

Our teams from the mall and car park operations also regularly source for local materials, suppliers, and contractors, which would help to reduce potential transportation as well as support the local economy.

Property Development

Quality Products

Quality has always been a primary focus for us right from the inception of each of our property development projects. The CIDB has established the Quality Assessment System in Construction ("QLASSIC") as a standardised measure to evaluate the workmanship quality of building construction work based on the Construction Industry Standards ("CIS"). We implement stringent quality controls and checks throughout every phase of construction and finishing to ensure the highest standards are met. This includes testing and commissioning of utilities, external and internal fittings, and aesthetic appeal that is packed in the comfort of a secure and well-built home. Besides, we continued to prioritise value engineering materials used in property development and allowing us to create affordable yet high-quality housing options that provide exceptional value to our homebuyers.

In addition to QLASSIC assessments, we also perform Pre-Delivery Inspections ("PDI") which involve the inspection of our properties by internal staff before handing them over to purchasers, clients and customers. The in-house staff are required to follow stringent industry practices to ensure the highest standards are met. By learning from past project defects, we emphasize continuous improvement during the design phase of future projects, prioritising quality and customer satisfaction.

We are committed to strictly adhering to our unit delivery schedule while maintaining open and transparent communication with our homebuyers. Our sales team are responsible to keep our customers updated on the progress of their units and addressing any concerns that may have. In the event of defect liability claims, we strive to resolve them promptly, aiming to address and resolve all claims within 30 days from their submission.

SUSTAINABILITY STATEMENT

We have implemented a systematic reporting and monitoring process in order to ensure the smooth progress of our project development. This includes bi-weekly progress tracking and regular quality checks. We maintain close engagement and communication with our project contractors, fostering collaboration to achieve high-quality development outcomes. Recognising the importance of contractors' capability in delivering quality products and services, we conduct thorough assessments and evaluations of our contractors before engaging them. This process enables us to ensure that our contractors consistently meet our expectations and standards.

We have established a dedicated team to be responsible for the management and maintenance of our ISO 9001:2015 QMS. This team actively identifies, tracks, and implements system changes to enhance the effectiveness of our project teams. Our projects undergo various internal audits to ensure compliance with the QMS. Any issues identified are promptly communicated to the Management Team, enabling them to be aware and monitor project performance accordingly. These initiatives reflected our commitment to maintaining a robust quality management framework and continuously improving our project delivery processes.

Our projects comply strictly with national and local design and building safety standards and codes, such as the Uniform Building (Amendment) By-Laws 2021 and the Occupational Safety and Health (Amendment) Act 2022. We also conduct regular quality checks that incorporate building safety standards and code compliance, as well as adherence to the use of specific materials. Furthermore, contractors' performance of their management of occupational safety and health risk during construction is required to be updated and reported in the bi-weekly progress tracking reports.

Safe and sustainable designs

Asian Pac's properties are conceptualised to achieve a harmonious integration between the living spaces we design, the society and community we nurture, and the natural environment. Elements of natural ventilation, cooling, and lighting are incorporated into the architecture of our project designs, to enable our built environment to fit into the local landscape and climate character, in addition to reducing the consumption of energy and materials.

These project concepts, which also integrated the local economic demographics and economic landscape, are carried through across the project design, construction, and management stages, via close collaborations between our architects, quantity surveyor, contractors, and professionals involved in these projects.

Where possible, we prefer energy-efficient light fittings in our design to achieve the desired lighting effects and functions while maintaining lower energy consumption. Commonly, more efficient light fittings also emit less heat and can avoid the need for more cooling. In addition, we aim to make optimal use of natural lighting and natural ventilation such as cross ventilation for passive cooling. We also incorporate rainwater harvesting technology where the collected rainwater can be used for other purposes.

We are also placing efforts in pursuing green certifications for identified projects, as follows:

Project name	Certification type and level	Progress as of 31 March 2023
Mohagany Residence	GreenRE (Bronze)	Under Construction

The Green certifications are industry-recognised rating tools used in Malaysia to assess the sustainability of buildings and provide assurance to buyers and buildings occupants with respect to standards of sustainable living.

Indoor air quality is vital for the health and wellbeing of occupants of our property units. It is common that indoor air quality may be found to be worse than outdoor air quality due to the emission of hazardous chemicals from various sources, including paint, glue, flooring materials, and furniture. We are careful in selecting interior finishing materials to promote healthier and safer indoor air quality within our property units. Paint is common and widely used as finishing materials in our property units and we are fully aware of the potential health risks associated with high levels of volatile organic compounds ("VOCs"). Prolonged exposure to such VOCs can lead to symptoms like headaches, dizziness and even long-term negative effects on human health and the body. To mitigate these risks, the Group has implemented a policy to use low-VOC paint in all our property development projects.

SUSTAINABILITY STATEMENT

Sustainable and responsible construction

Asian Pac recognises that it is also important to manage project constructions responsibly and sustainably by collaborating closely with contractors and regularly overseeing project progress, including ensuring compliance with relevant laws and regulations, and within the guidelines prescribed by the authorities.

One of the common issues with building construction is the nuisance towards the local community, which may include dust and noise pollution. To minimise nuisance, our project contractors and subcontractors undertake various measures including regularly cleaning and watering the construction site entrances to reduce airborne dust. Construction vehicles are also regularly reminded to drive slowly on site.

Where waste management is concerned, measures are taken to manage and reduce waste responsibly at our construction site, and qualified waste contractors are engaged to assist in waste handling and management. Waste generated from project sites is either sent to recycling centres or transported to designated disposal sites timely and efficiently.

Our contractors work within the permitted hours to prevent disruption to the livelihood of the surrounding community, and we also work closely with the authorities and obtain feedback, including complaints, from representatives of the community to address any arising issues.

During the financial year under review, there were no fines or penalties imposed on the Group as a result of non-compliance with environmental laws or regulations.

Minimising construction waste

At most of our construction sites, we use reusable formwork system which relies on aluminium formwork which can be reused many more times compared to timber formwork. By doing so, we avoid generating timber waste, in addition to benefiting from better finishing quality and construction accuracy. The reusable formwork system also enables us to develop greater quality properties at higher efficiency. Where the aluminium formwork structures are no longer reusable, they are recycled, contributing to a circular consumption pattern where materials are continuously reused or recycled.

Mall operations

Quality lifestyle and services

Our mall operation manages the Imago Mall which is located in Kota Kinabalu, Sabah. Imago sets itself apart as an experiential mall, striving to offer exceptional services and experiences at an international level. Our strategic approach involves attracting quality tenants and shoppers, ensuring a deliberate positioning of the mall to cater to the desired target market. In addition, Imago's EMS and QMS certifications enable our team's commitment to consistently provide professional, high-quality services that meet international standards.

To ensure continuous performance improvement, we have implemented various performance evaluation and assessment metrics to monitor the operations of our mall. These metrics consist of short-, medium-, and long-term perspectives and include indicators such as footfall and occupancy rate. These performance metrics allow us to gain insights into the needs and preferences of the shopper community and mall users, enabling us to strategically plan and provide services and events that generate shared value for all stakeholders involved.

We actively engage with our customers and shoppers to ensure their satisfaction and listen to their feedback, comments, and suggestions. Via surveys and ongoing engagements, we continuously monitor their level of satisfaction and gather valuable insights, and hence, understand their needs and preferences better. By maintaining close engagement, we strive to enhance the overall visiting experience at Imago, ensuring that our customers and shoppers received the best possible service and enjoy a memorable time at our mall.

SUSTAINABILITY STATEMENT

Mall safety and security

To ensure the safety and security of visitors, Imago, as a publicly accessible destination, has taken proactive measures. We have a collaborative partnership with the Royal Malaysia Police to open a Police Beat Office within the mall premise. The Police Beat Office does not only act as a local point of contact for the community to seek assistance, report incidents, and address any concerns related to safety or security within the mall area, but it also provides an additional window for tourists to make inquiries, seek guidance, or obtain assistance from the police force. We believe that the collaboration provides added security for both shoppers and tourists and allows them to have their activities around Imago with a greater sense of security.

Regular drills and training are provided to our security team to ensure our team is consistently prepared to effectively respond to a wide range of emergency situations. Our security team has also undertaken training relating to being an effective security officer, emergency evacuation, firefighting, basic first aid, emergency response and management, etc. The training provided enables our security team to be familiar with the standard policies and procedures to, amongst others, deal with various sorts of safety, security, or emergency situations to develop a safe environment for our employees, tenants, and customers. Regular fire drills in cooperation with the local Fire Department (BOMBA) are undertaken along with emergency-response drills that promote the participation of tenants and their workers to ensure that they are knowledgeable with basic safety protocols and equipped with the knowledge to respond effectively in emergency situations.

We are developing an auxiliary police force with our security team which will enable our team to receive security training in accordance with the standards set by the Royal Malaysia Police. By developing our own auxiliary police force, we will be able to further support the robustness of our mall security and promote a safer environment for all visitors and stakeholders.

Environmentally-friendly operations

Certified with ISO 14001:2015 EMS, Imago has an established system to manage and facilitate continuous improvement towards responsible environmental management of our mall operations, in addition to compliance with environmental laws and regulations.

The Building Automation System ("BAS") at Imago enables centralised management of the mall's internal environment, optimising various parameters to create a comfortable indoor environment. At the same time, this allows us to monitor Imago's resource consumption, through which we can analyse and adjust our energy strategy to achieve resource and cost efficiency. Imago also has established an Energy Audit Committee which has a clear and objective policy which intends to drive further energy-saving initiatives for Imago's offices as well as the mall.

Imago's BAS System

BAS is a computerised system for the centralised management of the environment of Imago, including lighting, air-conditioning, ventilation, air quality, etc. BAS facilitates our monitoring of Imago's energy consumption trends and patterns. Through our monitoring and analysis, we will be able to identify where and when we could control the usage of facilities such as air-conditioning and lighting while still being able to maintain the safety and comfort of Imago's environment.

Energy consumption at Imago

During FY2023, energy consumption at Imago increased by 33% to 16.3GWh as Malaysia underwent recovery from the pandemic which had prevented people and tourists from visiting Imago.

Electricity consumption (GWh)	FY2021	FY2022	FY2023
Imago	11.9	12.3	16.3

Imago is equipped with fitting and facilities which enables the efficient use of resources, such as automatic sensor taps and flush systems in the washroom to reduce water usage, energy-efficient hand dryer to reduce the use of paper towels, door stoppers to minimised loss of air-conditioning, and motion-sensor-fitted escalators.

SUSTAINABILITY STATEMENT

Promoting and participating in environmental causes

Every year, Imago observe and organise events on Earth Hour, which is an initiative by the World Wide Fund for Nature ("WWF"), where all non-essential lights are turned off for a minimum of one hour, usually on the last Saturday of March, to promote awareness and discussions on climate change.

Imago also supports environmental causes such as sponsoring venue spaces to promote awareness of environmental protection and preservation. During the year, we sponsored venues for various awareness campaigns for Greenpeace, WWF, and the "Save Our Soil" Campaign in conjunction with World Soil Day. We have also supported various WWF fundraising activities. We believe and hope that these programmes and events promote strong awareness among our mall tenants and shoppers on the importance of taking care of and preserving our natural environment and the resources we have.

In FY2023, Imago continued to carry out its recycling program. With the participation of tenants, we have collected and recycled 26.97 tonnes of carton boxes through qualified contractors.

Car Park Operations

We own and manage three (3) car park sites located in Kota Kinabalu, Sabah which serve the general public from retail shoppers to tenants, office workers, and occupants to customers of a neighbouring hospital. We continuously monitor the car park rates to ensure they are competitive, contributing to a goods revenue and profitability. Two (2) of our car park sites are strategically located near Imago, allowing us to closely collaborate with Imago's operations. This collaboration is aimed at supporting Imago's overall business strategy and direction, ensuring that our car park services align with the needs and objectives of the mall.

Imago is strategically located in the proximity of Kota Kinabalu city centre which growing on an ongoing basis. We maintain close engagement with relevant authorities and professionals to manage the traffic flow at and around Imago, especially during peak hours when we have personnel at key road exit points to facilitate a smooth and safe flow.

Electricity is one of the most significant operating expenses of our car park operations. Various measures have been undertaken to enhance the energy efficiency of our car park operations. Our more notable effort is the conversion and maintenance of LED lighting systems at our car parks. All our 3 car parks use LED lighting systems, and their key benefits include:

Improvement in lighting quality	Lower maintenance and replacement cost moving forward	Cost-saving and greater energy efficiency	Lowering our carbon footprint
Lighting conversion and management exercises have contributed to a notable improvement in the lighting quality of our car parks, providing better security and comfort to our users.	LED lights generally have much longer lifespan than other lighting systems and we expect significantly lower maintenance and replacement expenses moving forward.	Being a more energy-efficient lighting system than conventional fluorescent lighting system, we have seen relatively lower electricity consumption in some parts of our car park operations.	Using less electricity and using electricity more efficiently means we are essentially reducing our carbon footprint, paving our path towards a lower carbon operation

To further enhance the safety of our car parks, panic buttons have been placed throughout the car parks to ensure immediate assistance is available when needed. Moreover, we have introduced designated ladies-only parking spots at Imago to cater to the specific needs of our female customers.

SUSTAINABILITY STATEMENT

Energy and Emissions Management

The Group's energy consumption is mainly derived from purchased electricity and the use of petrol and diesel in company vehicles and some in generator sets.

Group	FY2023 (kWh)
Energy consumption	17,073,395

The Scope 1 and Scope 2 emissions associated with our energy use are estimated as follows:

Group	FY2023 tCO _{2e}
Scope 1	2.5
Scope 2*	8,637.7
Scope 1 + Scope 2	8,640.2

Note: * estimated using the latest available average emission factor, i.e. for 2016, at Sabah and Labuan (source: <https://www.seda.gov.my/statistics-monitoring/co2-avoidance/>)

The Group will continue to monitor and analyse its energy records as well as approaches towards estimating carbon emissions to enable enhanced carbon reporting moving forward.

Water Management

The Group's water consumption is mainly attributable to water use at Imago Mall. The Group's water consumption for the financial year under review is reported as follows:

Group	FY2023 (m ³)
Water consumption	204,529

Waste Management

Imago Mall currently represents the main source of the Group's direct waste. The Group's waste generated and disposal approach is as follows:

Group	FY2023		
Waste type	Waste generated	Waste diverted from disposal (e.g. reused or recycled)	Waste directed to disposal (e.g. landfill or incineration)
Hazardous			
Fluorescent tube	0.37 tonnes	nil	0.37 tonnes
Non-Hazardous			
Domestic waste	7.17 megalitres	nil	7.17 megalitres
Carton boxes	26.97 tonnes	26.97 tonnes	nil

SUSTAINABILITY STATEMENT

SUPPORTING PEOPLE AND THE COMMUNITY

Associated MSMs

- **Workplace Diversity**
- **Employee Development**
- **Labour Practices and Standards**
- **Occupational Health and Safety**
- **Community Investment**

Through our businesses, the Group aims to create positive impacts on people and the community. Beginning from the Group internally, we promote inclusiveness and diversity, where everyone is treated equally without discrimination. In addition, we encourage the personal and professional development of all people, including our employees as well as the overall community.

Inclusivity and diversity

The Group has a total number of 457 employees in FY2023 where a significant number of our workforce is based in Sabah, which has a population with wide cultural backgrounds. We do not engage in the active identification or grouping of our workforce based on ethnicity or cultural background. The Group's employment approach based on merit has contributed to providing equal opportunities to all individuals and helped to create a diverse workforce reflecting the cultural richness of the local demographics. This diversity not only facilitates the exchange of knowledge and experience but also allows for the sharing of different cultures and traditions within our Group.

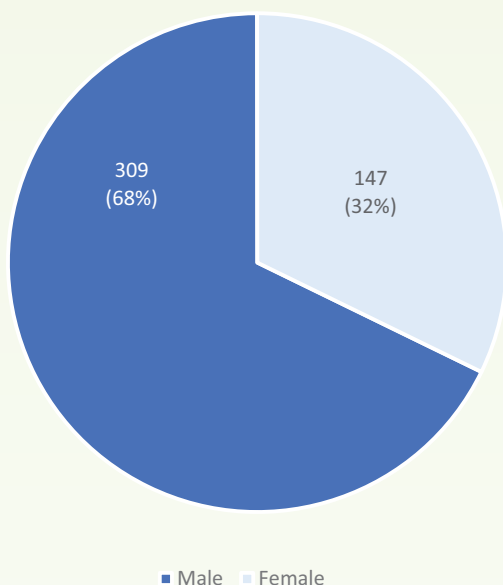
We uphold the principles of equal opportunity and embrace the concept of meritocracy. We do not engage in discrimination based on factors such as background, gender, or race when considering individuals for employment or assessing our current employees.

The demographics of the Board and the Group's employees, as at 31 March 2023, are summarised as follows:

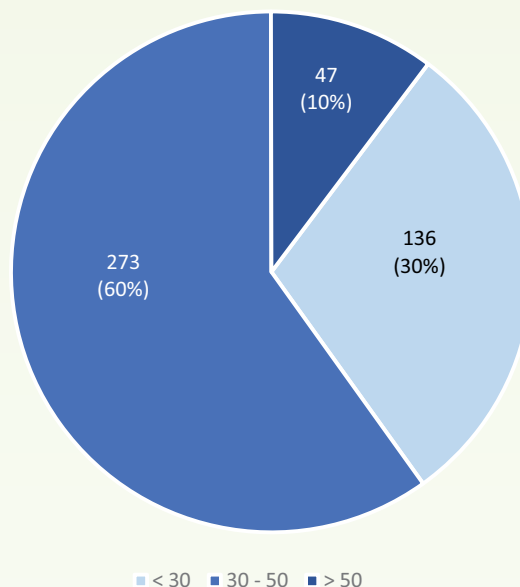
Group	FY2023					
	Number	breakdown by gender		breakdown by age group		
		Male	Female	<30	30 - 50	>50
Board of Directors	6	6 (100%)	0 (0%)	0 (0%)	1 (17%)	5 (83%)
Employee Category						
Senior Management	11	10 (91%)	1 (9%)	0 (0%)	5 (45%)	6 (55%)
Management	12	8 (67%)	4 (33%)	0 (0%)	7 (58%)	5 (42%)
Managerial	54	29 (54%)	25 (46%)	1 (2%)	45 (83%)	8 (15%)
Executives	87	36 (41%)	51 (59%)	17 (20%)	61 (70%)	9 (10%)
Non-Executives	292	226 (77%)	66 (23%)	118 (40%)	155 (53%)	19 (7%)
Total	456	309	147	136	273	47

SUSTAINABILITY STATEMENT

Employees by gender as at 31 March 2023



Employees by age group as at 31 March 2023



Group Breakdown by employment types	FY2023
Full-time permanent	252
Part-time permanent	1
Full-time contract	203
Part-time contract	0

Group	FY2023	
Employee Category	Turnover rate	New hires rate
Senior Management	4	2
Management	4	2
Managerial	15	16
Executives	16	26
Non-Executives	60	128

SUSTAINABILITY STATEMENT

Employee Development

We are committed to providing equal opportunities to every individual and enabling them to pursue personal and career growth by continuously upskilling our workforce and ensuring fair treatment for all our employees. We assess the talents and skills required to drive the Group towards achieving its corporate objectives, and at the same time, we also engage closely with our employees to assess whether their existing talents and skills require further enhancement. We continuously invest in enhancing employees from all aspects including functional development, leadership, occupational safety and health, soft skills, as well as the development of relevant laws, regulations, and applications.

The training hours for each employee category are summarised as follows:

Group	FY2023	
Employee Category	Total training hours	Average training hours
Senior Management	97.0	8.1
Management	179.0	14.9
Managerial	779.0	14.4
Executives	939.0	10.8
Non-Executives	2,052.5	7.0
Total	4,046.5	8.9

We deeply appreciate the immense value that dedicated and long-serving employees bring to our success. We recognise the contributions and loyalty that they have demonstrated throughout the years which then shaped us into what we are today. To acknowledge their service, we have implemented a program to reward our long-serving employees. We continued to provide financial incentives to employees who have completed 10 years of service within the Group, and subsequently every 5 years thereafter. For the financial year under review, we have presented the Long Service Award to 10 employees who have been with the Group for 10 years or more.

Occupational Health and Safety

Health and safety training is provided to our employees who are exposed to high health and safety risks to ensure they are equipped with the necessary knowledge and skills to perform their work and at the same time, adhere to safety protocols and ultimately promote a work environment where the risk of injury is minimised or eliminated. In FY2023, 51 employees attended training on health and safety standards.

Group	FY2023
Number of employees trained on health and safety standards	51

We are pleased to report that there were no work-related fatalities recorded by the Group during the financial year under review. The lost time incident rate was recorded at 0 as there were no lost-time incidents recorded.

Group	FY2023
Work-related fatalities	0
Lost time incident rate	0

SUSTAINABILITY STATEMENT

Building a sustainable community

Through our businesses and operations, the Group contributes to the society and community, as well as the economy, in various ways, including supporting vulnerable and marginalised communities and promoting environmental awareness.

In FY2023, we have donated and contributed about RM33,000 to various community investments, including sponsorships to religious bodies, public and awareness programmes related to Greenpeace, WWF and fundraising as well as blood donations.

Procuring locally brings various benefits, including supporting the local economy and businesses and reducing potential GHG emissions from shorter transportation distances. In FY2023, 97% of the Group's total procurement is attributable to local suppliers whose operations are registered within Malaysia.

Group	FY2023
Proportion of spending on local suppliers*	97%

Note: * local suppliers refer to the operations registered within Malaysia

Imago Mall

Employment opportunities

Imago created approximately 2,000 direct and indirect employment opportunities for the local community through its value chain. These employment opportunities extend beyond our direct employees to include job openings within Imago's value chain and also include businesses operated by Imago's tenants. As non-stratified retail management, our workforce comprises a diverse range of individuals, spanning from fresh graduates to experienced professionals, and has a good balance of youth and experience.

An inclusive lifestyle mall

Imago's primary objective is to serve as an experiential mall that is inclusive and caters to all. In collaboration with local authorities, Imago has designated a universally accessible entrance on the Ground Floor of our mall which can be accessed by visitors with disabilities.

Imago is a family-friendly mall. We have in place a modern nursery room equipped with various amenities, such as potable hot water, diaper-changing facilities, private nursing rooms and a waiting lounge exclusively for fathers. The nursery room provides support for breastfeeding mothers by offering them a clean, safe, and secure environment to nurture their infants. We also have incorporated family toilets to enhance convenience for parents when accompanying their children to the restroom.

To cater for the needs and well-being of our tenants and their staff, we have a dedicated Workers' Rest Area. This initiative aims to provide a space for tenants and their staff to relax, take breaks, and enjoy their meals. The resting area is well-equipped with essential facilities, including microwaves for heating food, water dispensers for hydration, and wash basins for personal hygiene. Recognising the diversity within our community and respecting various religious beliefs, we have provided both halal and non-halal microwaves in the rest area. This practice allows individuals with different dietary requirements to comfortably utilise the facilities and enjoy their meals according to their preferences.

SUSTAINABILITY STATEMENT

Promoting local brands

Imago aims to foster economic growth and enhance the local business community by supporting the development of local businesses. Imago is always on the lookout for ways to support local young entrepreneurs and local brands in the retail mall environment. We are exploring the possibility of dedicating a portion of our retail mix specifically to the local youth business community. This initiative aims to provide them with valuable exposure and a platform to develop their own brands that will hopefully move on to a larger stage in the future. From time to time, Imago also organises events and fairs where we encourage local brands and entrepreneurs to showcase and sell their products. Imago also has “Heritage”, a food and beverage area that provides local food hawkers with an opportunity to be part of a modern retail environment.

To promote and support local businesses, our tenancing strategy takes into account a mix of luxury and bridge brands and national and local brands. Our tenant mix, in terms of retail space, is reported as follows:

Tenant Mix	FY2022	FY2023
National Brands, apart from Sabah Brands	61%	35%
International Brands	27%	43%
Sabah Brands	12%	22%

Promoting local cultures

We view Imago as a destination that fosters connections among diverse groups of people. This includes the opportunity to bring the family closer together, attract tourists from various countries and cultural backgrounds, and introduce and promote local cultures to the international community.

Imago embraces and celebrates local and regional traditions by incorporating them into its annual events calendar. For instance, the Pesta Kaamatan (Harvest Festival) has become a permanent event in our schedule. We also have taken the approach to introduce a permanent local cultural dance program performed by local artists, at our own expense, to provide shoppers, including international tourists from countries like China and South Korea, with an immersive experience of the local indigenous culture. Via our events at Imago, we celebrate local cultures and festivals together with our customers, both locally and from overseas. To engage with the community effectively, we utilise a hybrid approach that includes online and social media platforms as well as physical event spaces.

PROFILE OF BOARD OF DIRECTORS

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

Non-Independent Non-Executive Chairman
Malaysian, Male, Aged 79

Tan Sri Dato' Seri (Dr) 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 was redesignated as Non-Independent Non-Executive Director on 15 March 2023. Following his redesignation, Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin relinquished his role as the Chairman of the Nomination Committee and Remuneration Committee as well as a member of the Audit and Risk Management Committee (**"ARMC"**) but he remains as Chairman of the Board.

Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin was a lawyer by profession, he obtained his Honours Degree in Law from Singapore University in 1970. He started his working life in 1970 with First National City Bank (now Citibank) for two years and went into law practice with a leading firm in Kuala Lumpur for another two years, after which he started his own law firm. In 1986 he retired from law practice and went headlong into politics, ultimately becoming UMNO Chief of Petaling Jaya. He then served as State Assemblyman of Kelana Jaya in Selangor for two terms (1986-1995) and as municipal councillor for two decades. He had a stint as the Chairman of the Public Accounts Committee of the Selangor State Assembly and was once a director of the Selangor Agricultural Development Corporation and the Selangor Industrial Corporation, respectively. He left active politics in 1995.

Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin is active in Non-Governmental Organisations (NGOs). He was elected as Executive Committee Member of the Federation of Public Listed Companies Berhad (FPLC) in August 1994 and was elected as its President in October 1997. He represented this organisation to the High Level Finance Committee of the Ministry of Finance until 2000. He was the President of Kelab Golf Negara Subang and the Malay College Old Boys' Association (MCOBA). He was the President of Malaysian Institute of Corporate Governance (MICG) from 1998 to 2015 and is currently the Honorary Patron of MICG. He was a member of the Advisory Board of the Malaysian Anti-Corruption Commission (MACC). He is the current President of Persatuan Darul Ridzuan in Wilayah Persekutuan and Selangor (a welfare organisation). In addition, he is the Advisor of the Tan Sri Muhyiddin Charity Golf and also a trustee of MyKasih (Charity) Foundation and Vijayaratnam Foundation.

He also served as a Non-Executive Independent Director of PETRONAS from April 2010 to April 2017. He was also a long-time Chairman of MajuPerak Holdings Berhad, Omesti Berhad and Tradewinds Corporation Berhad as well as a Director of ICT Zone Ventures Bhd.

Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin has retired as Chairman of Sime Darby Plantation Berhad on 15 June 2023. Currently, Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin is the Chairman of SEG International Bhd and Farm Fresh Berhad.

DATO' MUSTAPHA BIN BUANG

Non-Independent Managing Director
Malaysian, Male, Aged 75

Dato' Mustapha Bin Buang, first joined the Board as a Non-Executive Director on 14 October 1994 and was appointed as Managing Director of the Company since 2001.

Dato' Mustapha holds a degree in Economics from University Malaya. He started his career in 1972 with the Johore State Government as an Economic Planner. In 1974, he joined the finance industry and held senior management positions for 16 years. In addition to holding directorships in various private limited companies, he presently holds the position of President for the Tan Sri Muhyiddin Charity Golf Foundation effective from 1 September 2022 and was the Deputy President from 2006 to 2013. He sits as a Committee Member of the Board of Trustees for the Tan Sri Muhyiddin Charity Golf Foundation since 2010 and also sits as Trustee/Board member for Yayasan Nurul Yaqeen since January 2005. Dato' Mustapha was formerly the Chairman of Bank Pertanian Malaysia Berhad from 11 November 2020 to 11 November 2022.

Dato' Mustapha has no directorships in other listed issuers or non-listed public companies in Malaysia.

PROFILE OF BOARD OF DIRECTORS

DATUK MOHAMED SALLEH BIN BAJURI

Non-Independent Non-Executive Director
Malaysian, Male, Aged 72

Datuk Mohamed Salleh Bin Bajuri was appointed as an Independent Non-Executive Director of the Company on 27 March 2001. He resigned as a Director of the Company on 21 September 2017 and re-joined the Company as Non-Executive Director on 1 March 2019. He was redesignated as Non-Independent Non-Executive Director on 15 March 2023 and following his redesignation, he relinquished his role as the Chairman of the ARMC. He currently serves as a member of ARMC, Nomination Committee and Remuneration Committee.

Datuk Salleh is a qualified Chartered Accountant from the Institute of Chartered Accountants, Ireland. He has worked in many prestigious accounting firms. After his articleship in Northern Ireland, he started his career in Malaysia as a Senior Auditor with Peat Marwick & Co before joining the Maybank Group, where he held various senior positions including General Manager of Maybank Finance and Malayan Banking Berhad. Later, he left Maybank for JB Securities Sdn Bhd, a stockbroking firm, as Managing Director, a position he held before joining the CRSC Group.

Datuk Salleh is still active in various associations. Datuk Salleh had served various society/body in the past, namely Alternate Chairman of the Association of Finance Companies in Malaysia 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 Agrobank Malaysia (also known as Bank Pertanian Malaysia Berhad) from 2008 to 2010. Currently, he is the Vice President of Tan Sri Muhyiddin Charity Golf Foundation, Trustee for Tan Sri Muhyiddin Charity Golf Foundation and Trustee for Yayasan Nurul Yaqeen.

Datuk Salleh has no directorships in other listed issuers in Malaysia. His directorship in non-listed public company in Malaysia is CRSC Holdings Berhad.

DR YU TAT LOONG

Non-Independent Executive Director
Malaysian, Male, Aged 47

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 Bachelor of Engineering in Civil Engineering from the University of Bath in England and he continued his studies at the University of Cardiff in Wales, where he obtained his Doctorate of Philosophy. His postgraduate research focused on optimisation of aerospace structures using heuristic algorithms.

Dr Yu is a member of The Royal Institution of Chartered Surveyors and The Institute of Enterprise Risk Practitioners. He is also a certified Enterprise Risk Manager with a specialization in risk management practices for organisations.

He has over 15 years of professional experience in real estate development and management projects across China and Malaysia. His expertise includes extensive knowledge in design, planning and construction of a broad spectrum of real estate properties, as well as overall operational and asset management with experience in leasing, marketing, and facility management of various types of properties such as retail, commercial, hospitality and car parks. Currently, he manages a diverse portfolio of assets with a combined value exceeding USD 1.0 billion. He has consistently demonstrated his ability to meet industry standards by achieving ISO 9001 Quality Management System certifications for a portfolio of operations. His work has been recognized by several prestigious awards, including the International Property Award for real estate developments, and many other accolades.

Dr Yu has no directorships in other listed issuers in Malaysia.

PROFILE OF BOARD OF DIRECTORS

MR CHAI YEE CHOONG

Independent Non-Executive Director
Malaysian, Male, Aged 52

Mr Chai Yee Choong was appointed to the Board of the Company as Independent Non-Executive Director on 1 June 2022. He was also appointed as a member of Nomination Committee and Remuneration Committee on 12 July 2022. On 28 February 2023, he was appointed as a member of ARMC and subsequently redesignated as Chairman of ARMC effective from 15 March 2023.

Mr Chai graduated with a bachelor's degree in finance from Oklahoma State University, United States, and he subsequently obtained the Chartered Financial Analyst designation from the CFA Institute.

He is currently a founding partner of Frontpage Capital Limited, a Hong Kong-based boutique investment bank licensed as a sponsor by the Securities and Futures Commission. His extensive background in the financial industry includes directorial roles at TC Capital Finance Group, a Hong Kong-based financial advisory and asset management firm. Additionally, he was a senior associate at Evolution Watterson Securities Limited, a Hong Kong subsidiary of Evolution Group plc, a reputable UK-based investment bank group.

Mr Chai has no directorships in other listed issuers in Malaysia.

DATUK YUNOS BIN ABD GHANI

Independent Non-Executive Director
Malaysian, Male, Aged 65

Datuk Yunos Bin Abd Ghani was appointed to the Board of the Company as an Independent Non-Executive Director on 15 March 2023. He was appointed as Chairman of the Nomination Committee as well as a member of ARMC, and Remuneration Committee on 15 March 2023.

Datuk Yunos is currently a member of the Asian Institute of Chartered Bankers (AICB). He was a Council Member of Association of the Development Finance Institutions Malaysia (ADFIM), the Director of World Savings and Retail Banking Institute and the Treasurer of Persatuan Badan-Badan Berkanun Malaysia.

Datuk Yunos started his career in June 1981 as Credit Officer and Branch Manager of Bank Bumiputra Malaysia Berhad ("BBMB"), where he worked until October 1996. He then served as General Manager of BBMB for Tokyo Branch from November 1996 to October 2000. In November 2000, he joined Bank Muamalat Malaysia Berhad as the General Manager of Labuan Offshore and was later promoted to Head of Consumer Banking from July 2003 to February 2005.

In March 2005, Datuk Yunos was appointed as Director of Banking Operation/Retail Loans of Bank Simpanan Nasional ("BSN"). He subsequently served as the Chief Executive Officer of Perbadanan Tabung Pendidikan Tinggi from September 2006 to March 2010. In March 2010, he re-joined BSN as Deputy Chief Executive Officer and was promoted to Chief Executive Officer in December 2017, a position he held until November 2020.

He holds a Bachelor of Business Administration in Finance from Eastern Michigan University, USA and Diploma in Business Studies & Management from MARA University of Technology.

Datuk Yunos has no directorships in other listed issuers in Malaysia. His directorship in non-listed public company in Malaysia is Bank Pertanian Malaysia Berhad.

PROFILE OF BOARD OF DIRECTORS

PUAN RAHANA BINTI ABDUL RASHID

Independent Non-Executive Director
Malaysian, Female, Aged 62

Puan Rahana Binti Abdul Rashid was appointed to the Board of the Company as an Independent Non-Executive Director on 1 June 2023. She was appointed as Chairman of the Remuneration Committee as well as a member of ARMC, and Nomination Committee on 1 June 2023.

Puan Rahana completed her studies with a Bachelor of Science (Economic and Finance) in 1983 from Indiana State University, Terre Haute, Indiana, United States of America and continued her studies to receive a Master in Business Administration from the same university in 1984.

Puan Rahana began her career as a Trainee Officer in the Corporate Services Department at Raleigh Berhad, which was then known as Inter-Pacific Industrial Group Berhad and is now known as Berjaya Corporation Berhad. In 1985, Puan Rahana transitioned into investment banking and joined Aseambankers Malaysia Berhad, which has since been renamed Maybank Investment Bank Berhad. During her tenure, she contributed to various financial projects and gained valuable insights into investment banking operations. Puan Rahana's exceptional skills and dedication helped her establish a strong reputation within the organisation.

In 1996, Puan Rahana joined Puncak Niaga (M) Sdn Bhd as the General Manager of Corporate Finance. In this role, she was responsible for spearheading corporate finance initiatives and played a pivotal role in developing financial strategies for the organisation.

After leaving Puncak Niaga (M) Sdn Bhd, Puan Rahana took a break from the corporate sector and engaged in consultancy assignments for various entrepreneurs. This period allowed her to broaden her professional horizons and gain exposure to diverse industries and business models. Puan Rahana's consultancy work demonstrated her versatility and adaptability in providing financial guidance and support.

In 2014, Puan Rahana embarked on an international venture and assumed the role of Chief Financial Officer at ORO Financecorp Ltd, a licensed microfinance corporation based in Phnom Penh, Cambodia. Upon returning to Malaysia, Puan Rahana joined Tass Teck (Malaysia) Sdn Bhd, a specialized IT company, as a Finance Consultant in July 2016. Recognizing her exceptional skills and contributions, she was subsequently promoted to the position of Director of Finance in March 2017, a role she continues to hold until July 2020.

Since 2021, Puan Rahana has assumed the role of Advisor at DreamEdge Sdn Bhd. As an Advisor, she brings her wealth of experience and financial acumen to provide valuable insights and guidance to the company's management team. Puan Rahana leverages her expertise in finance and corporate affairs to contribute to strategic decision-making processes, offer financial advice, and assist in developing effective financial strategies that drive business growth.

Puan Rahana is currently an Independent Non-Executive Director of WCT Holdings Berhad. She is a member of the Audit Committee as well as the Board Risk and Sustainability Committee of WCT Holdings Berhad.

NOTES:

1. Family Relationship with Director and/or Major Shareholder

None of the Directors has any family relationship with any director and/or major shareholder of the Company.

2. Conflict of Interest

None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

3. Conviction for Offences

None of the Directors has any conviction for offences within the past 5 years (other than traffic offences, if any). There were no public sanctions and/or penalties imposed on the Directors by the relevant regulatory bodies during the financial year.

4. Attendance of Board Meetings

The attendance of the Directors at Board Meetings held during the financial year ended 31 March 2023 is disclosed in the Corporate Governance Overview Statement.

PROFILE OF SENIOR MANAGEMENT

MR LEE KOK HONG

Chief Operating Officer, Property Development
Malaysian, Male, Aged 58

Mr Lee holds a Master Degree in Business Administration (MBA) from the Heriot-Watt University, U.K. and a Bachelor Degree in Civil Engineering (Hons) from the University of Malaya.

He has more than 30 years of working experience with wide exposure in the property development industry and project management field and has worked in several leading property development companies in Malaysia at senior management level including Sunway Berhad, Mulpha International Berhad, Perdana Parkcity Sdn Bhd and Naza TTDI Sdn Bhd. Prior to joining the Company in January 2023, he worked in Malton Berhad as Project Director for 5 years.

MR LOH KAH VOON

General Manager, Project Division
Malaysian, Male, Aged 53

Mr Loh has extensive professional experience in the property development industry, with 27 years of experience working in both Malaysia and China markets. He holds a Bachelor of Civil and Structural Engineering Degree from University of Malaya. He began his career as a civil and structure design engineer, spending over 5 years in the field before transitioning to site management. As Site Engineer, he managed the entire 468-acres township development at Taman Putra Prima for 2 years. Later, he served as Project Manager for Plenitude Group, where he oversaw the development of high-end semi-detached houses, bungalows and condominiums projects for around 4 years.

Prior to joining the Company as General Manager of Project Division in December 2020, he served as a Project Director and General Manager for several developments in China for more than 10 years. The developments he involved in China including a 13-acres prestige residential development in Shanghai under Wing Tai Asia Group, a 27-acres mixed development at Shenyang, and a 33-acres development of landed houses and high-rise condominiums in the Sino-Singapore Tianjin Eco City under Keppel Group.

MR KEN WONG YEE KEAN

Financial Controller
Malaysian, Male, Aged 50

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.

PROFILE OF SENIOR MANAGEMENT

MR GARREN TANG FOH KIONG

General Manager, Facility Services Management
Malaysian, Male, Aged 66

Mr Garren Tang has over 18 years of experience in Facility Management Services which includes managing property, facility, and car park management services for Grade A integrated developments, premium commercial buildings with MSC & LEED Status, and centre management for premium shopping, retailing & digital ICT Malls.

Mr Garren Tang joined the Group in March 2020 as General Manager for Facility Services Management, responsible for overseeing both Property Management Services and the Carpark Operation Services. Prior to joining the Group, he held several senior positions, most recently as Head of Portfolio Management Division under the Naza Group, where he was responsible for over 200 properties across Malaysia. Previously, he served as the Associates Director with Cushman & Wakefield Group Malaysia (previously DTZ Group), heading the property and facility management services division where he oversees commercial and residential property management services that includes projects such as The Intermark KL of Blackrock Group, AMD Group, AmanahRaya REIT, Afiniti Medini, Menara Standard Chartered of AIA Group, KL Trillion, The Summit Subang, Binjai On The Park, ZEVA Residence of Trinity Group and Amera Residence of Simas-D Group. Mr Garren was the General Manager for the iconic Sungei Wang Plaza, Deputy General Manager for Plaza Low Yat Lifestyle Mall and Centre Manager for Kompleks Bukit Jambul and Prangin Mall both in Penang. He was an active committee member of BBKLCC Association associated with Tourism Malaysia in promoting Bukit Bintang as the shopping haven hub for the foreign and local tourists at Kuala Lumpur area.

He holds a Bachelor of Commerce degree and is a registered and certified property manager with The Board of Valuers, Appraisers and Estate Agents Malaysia. He possesses in-depth knowledge of the Strata Titles Act 2013 and Building and Common Property (Management and Maintenance) Act 2007.

MR ANDREW GOH CHIN WAI

General Manager, Legal
Malaysian, Male, Aged 47

Mr Andrew Goh graduated with a Bachelor of Laws (Honours) degree from the University of London in 2003. He joined the Human Resource Department of South Malaysia Industries Berhad in 2002 and served there for 2 years before being transferred to the Corporate Planning Division where he spent another 4 years handling corporate related works which inter-alia, involved restructuring exercises, mergers & acquisitions as well as capital raising covering corporate and project financing. Mr Andrew Goh then joined the Legal Department of Mah Sing Group Berhad in 2008 where he honed his legal skills in areas covering property acquisition, business transaction and property development and related activities and spent the next 3 years heading the said department, where his last held position was Senior Manager, Legal.

In October 2011, Mr Andrew Goh joined the Company where he was tasked with setting up the Legal Department of the Group and currently, he is heading the legal team in advising and handling the legal affairs of the Group.

NOTES:

- 1. Family Relationship with Director and/or Major Shareholder**
None of the senior management has any family relationship with any director and/or major shareholder of the Company.
- 2. Conflict of Interest**
None of the senior management has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- 3. Conviction for Offences**
None of the senior management has any conviction for offences within the past 5 years (other than traffic offences, if any). There were no public sanctions and/or penalties imposed on the senior management by the relevant regulatory bodies during the financial year.
- 4. Directorships in any listed issuers or non-listed public companies in Malaysia**
None of the senior management has any directorships in any listed issuers or non-listed public companies in Malaysia.
- 5. Shareholdings in the Company or its subsidiaries**
None of the senior management has any shareholding in the Company or its subsidiaries during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Asian Pac recognises the utmost significance of upholding and implementing robust corporate governance practices across the Group. The Board believes that sound corporate governance is vital in advancing shareholders' value and ensuring the long-term sustainability and growth of the Group.

The Board is pleased to present this overview statement, which sets out a summary of the Group's corporate governance practices during the FY2023 with reference to the 3 key Principles as set out in the updated Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**") namely (A) Board Leadership and Effectiveness; (B) Effective Audit and Risk Management; and (C) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Corporate Governance Report ("**CG Report**") which provides details on how the Company applied the principles as set out in MCCG 2021 is available on the Company's website at www.asianpac.com.my as well as via the Company's announcement made to Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board Duties and Responsibilities

The Board holds the responsibility of overseeing the Group's business and affairs, with the primary objective to enhance long-term shareholder value while considering the interests of other stakeholders. The Board remains committed to upholding high standards of transparency and accountability throughout its operations.

The Board is not directly involved in the day-to-day management of the Group but implements and monitors adequate guidelines and policies to ensure that Management acts in the best interest of the Group and its stakeholders, and observes and conforms to proper ethical, regulatory and legal requirements. Decisions made by the Board are communicated through the Managing Director and Executive Director to the Management. There is a clear division of functions between the Board and the Management. The Board focuses on the strategic direction and overall governance of the Group, whilst the Management is accountable for the execution of the strategies and achieving business performance to meet the objectives of the Group.

The Board delegated certain powers and responsibilities to the Board Committees namely, Audit and Risk Management Committee ("**ARMC**") (assisted by the Internal Audit function and Risk Management Working Committee), Nomination Committee and Remuneration Committee, all of which operate within their defined terms of reference. Notwithstanding this, the Board remains responsible for its fiduciary duties.

The Board is mindful of the importance of building a sustainable business and therefore takes into consideration its Environmental, Social and Governance ("**ESG**") impacts when developing the Group's corporate strategies. The Board directly, and indirectly through its Board Committees, leads and provides direction to the Management to ensure that the Company's strategic plans support its long-term value creation and includes strategies of the ESG considerations underpinning sustainability. The Company's sustainability goals and journey can be found in the Company's Sustainability Report in this Annual Report.

2. Separation of Positions of the Chairman and Managing Director

The roles of the Chairman and the Managing Director are distinct and separate, and the positions are held by different individuals, in order to ensure that there is a balance of power and authority. The responsibilities of the Chairman and the Managing Director are set out in the Board Charter.

The responsibilities of the Chairman include but are not limited to, leading the Board in its collective oversight of Management, ensuring an efficient organisation and conduct of the Board's function and meetings, promoting constructive and respectful relations between the Board and Management, and ensuring effective communication with shareholders and other relevant stakeholders.

The Managing Director is responsible for the day-to-day management and the business affairs of the Group, and is responsible for the implementation of the Board's policies and decisions.

The Chairman is not a member of any Board Committees in compliance with Practice 1.4 of the MCCG 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Company Secretaries

The Board is supported by suitably qualified company secretaries who are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretaries are responsible for the overall corporate secretarial function and providing advices to the Board regarding the performance of duties in corporate compliances. The Board has direct and unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries constantly monitor the developments in corporate governance and assist the Board in applying best practices to meet the Board's needs and stakeholders' expectations.

4. Board Meetings and Access to Information and Advice

The Board meets quarterly to review financial, operational and business performances, with additional meetings convened when necessary. All Directors are furnished with an agenda together with the relevant documents and information on matters to be deliberated prior to scheduled Board meetings. Board papers are distributed electronically and generally at least five (5) business days in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretaries/Management, should such a need arise.

The Board leveraged on digital technology by going paperless as part of its effort to protect the environment. In February 2023, the Company implemented a paperless environment in which board papers were uploaded onto a secure platform and were accessible via laptop, tablet devices and mobile phones. The Director had access to the electronic board papers conveniently and immediately wherever they might be located. The board papers provided include inter alia, financial results, business plan and budget, progress report on the Company's projects and developments, quarterly financial results and minutes of meetings of Board and Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.

Every Director has full, free and unrestricted access to information of the Group. The Directors may also seek independent advice at the expense of the Company, if need be so as to ensure that they are able to make independent and informed decisions. The Board may also seek advice from the Management or request further explanations, information and updates on any aspect of the Group's operations or business concerns.

5. Board Charter

In discharging its functions and responsibilities, the Board is guided by the Board Charter which outlines the role, functions, operation, duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, the Chairman, Managing Director, Executive Director, Non-Executive Directors and Management. The Board Charter is available on the Company's website.

6. Corporate Code of Conduct

The Company has adopted the Code of Conduct and Ethics for the Company and Group ("**the Code**"). The Code describes the standards of business conduct and ethical behaviour for Directors and employees of the Group in the performance and exercise of their duties and responsibilities. It provides guidance on disclosure of conflict of interests, maintaining confidential information and disclosure of information, sexual harassment, compliance with relevant laws and regulations, and the duty to report where there is a breach of the Code, amongst others. All Directors and employees of the Group are expected to behave ethically and professionally at all times to protect and promote the reputation and performance of the Group. The Code is available on the Company's website.

In conjunction with the Group-wide introduction of the Anti-Bribery and Corruption Policy ("**ABC Policy**") as approved by the Board in November 2019. A copy of the ABC Policy is available on the Company's website. The Board and the Group's employees are prohibited from, directly or indirectly, receiving or providing gifts, kickbacks or gratuities from/to third party.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7. Whistleblowing Policy

Asian Pac has in place a Whistleblowing Policy which provides avenue for Directors, employees and external parties to raise concerns about possible improprieties, unethical or illegal activities within the Group. It sets out the procedures for whistleblowing and protection of a whistle blower who acted in good faith. The Board and Management assure that the identities of employees or stakeholders will be kept confidential, and whistle-blowers will not face any risk of victimization or retaliation from their superiors or any member of the Management, as long as they act in good faith when making their reports. All concerns raised shall be reported directly to the ARMC Chairman and will be investigated. The Whistleblowing Policy that forms part of the document of the Company's Board Charter can be accessed at the Company's website.

8. Directors' Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy in year 2022, which serves as a guide for the Nomination Committee and the Board in the selection of candidates for appointment as Directors and for re-election of Directors to the Board of the Company and its subsidiaries. This Policy also aims to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website.

9. Sustainability Governance

The Board recognises the importance of incorporating the ESG aspects throughout the business operations and has embedded sustainability considerations into the products and services of the Group.

The Board together with Management are responsible for the governance of sustainability in the Company. The Risk Management Working Committee ("**RMWC**") comprises Heads of respective Departments of the Group and led by the Financial Controller, was set up to assist the Board and ARMC in identifying, assessing, and overseeing the management of the Group's sustainability matters, with specific focus on material sustainability matters, as the Group integrates sustainability into its risk management system.

To ensure the long-term expectations of stakeholders are met, Asian Pac continues to monitor its sustainability priorities, including taking the necessary actions to minimise the environmental impact. The senior leadership team is accountable for embedding sustainability initiatives and targets throughout business operations (such as in the product design and project developments) and overseeing the execution.

II. Board Composition**1. Composition of the Board**

As of the date of this Statement, the Board has seven (7) members, comprising two (2) Executive Directors and two (2) Non-Independent Non-Executive Directors ("**NINED**"); three (3) Independent Non-Executive Directors ("**INED**"), which fulfils the prescribed requirement for at least two or one-third of the Board to be Independent Directors, as stated in Paragraph 15.02 of the MMLR of Bursa Securities. The Company notes to fill the vacancy within 3 months, in the event of any vacancy in the Board resulting in non-compliance with the MMLR.

On 1 June 2023, Puan Rahana Binti Abdul Rashid was appointed as INED of the Company in compliance with Paragraph 15.02(1)(b) of the MMLR of Bursa Securities, which states that at least one Director on the Board must be a woman.

The Board has an appropriate mix of relevant skills, knowledge and experience in the areas of business, accounting, finance, banking, real estate investment, corporate affairs, information technology, property development and investment, of which are skill sets relevant to the Group. A brief profile of each Director is set out under the Profile of the Board in this Annual Report.

The Board is satisfied that the current composition of the Directors provides the appropriate size, diversity and balance of expertise, skills and core competencies among the Directors, which are necessary to lead the Group effectively. The Independent Directors provide independent judgement, objectivity, and check and balance on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2. Nomination Committee

The Nomination Committee was established by the Board on 29 May 2002. The Nomination Committee has written terms of reference dealing with its authority, duties and responsibilities, which can be accessed at the Company's website.

The Nomination Committee consists of four (4) members, all of whom are Non-Executive Directors with a majority of them being independent. The composition of the Nomination Committee and the changes that took place during the FY2023 and up to the issuance date of this Annual Report are as follows:

Chairman	Designation
Datuk Yunos Bin Abd Ghani (Appointed on 15/3/2023)	INED
Members	
Datuk Mohamed Salleh Bin Bajuri	NINED
Mr Chai Yee Choong	INED
Puan Rahana Binti Abdul Rashid (Appointed on 1/6/2023)	INED

The Nomination Committee was previously chaired by Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas, who was the Senior INED. Following the re-designation of Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas as NINED on 15 March 2023, he ceased to be the Chairman of Nomination Committee. Consequently, Datuk Yunos Bin Abd Ghani, an INED, was appointed as the new Chairman of the Nomination Committee in place of Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas on 15 March 2023 in line with Practice 1.4 of the MCCG 2021 whereby the Chairman of the Board should not be a member of the Board Committees.

The Nomination Committee met once during the financial year under review which were attended by all its members. The activities carried out by the Nomination Committee at the meeting held on 29 May 2023 included the following:

- (i) Reviewed the evaluation results of the Board and Board Committees; and independence assessment of the Independent Directors.
- (ii) Reviewed the results of the Director's Self & Peer Evaluation and mix of skills, competencies and experience of Directors.
- (iii) Reviewed the terms of office, competency and performance of the ARMC and its members.
- (iv) Reviewed and recommended the re-election of Directors.
- (v) Reviewed the training programmes attended by the Directors and the training needs of Directors.
- (vi) Reviewed and recommended to the Board for approval, the revised Directors' Fit and Proper Policy.

The Nomination Committee reports its proceedings and recommendations to the Board for its consideration and approval. All the assessments and evaluations carried out by the Nomination Committee have been properly documented.

3. Appointment of New Directors to the Board

Asian Pac has adopted Directors' Fit and Proper Policy in year 2022, as a guide to Nomination Committee and the Board to ensure each director has the character, experience, integrity, competence and time to effectively discharge his/her role as Director of the Group.

As part of Board succession planning, our Nomination Committee is responsible for identifying suitable candidates to fill Board vacancies or to complement the Board's current composition as and when the needs arise. Thereafter, the Nomination Committee makes recommendations to the Board on new appointment(s) to the Board. Our Nomination Committee assesses the suitability of candidate(s) by taking into consideration the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, personal qualities, the potential for the candidate's skills to augment the existing Board, the candidate's availability to commit to the Board's activities, and in the case of the candidate proposed for appointment as Independent Director, the candidate's independence.

The proposal for new appointment(s), regardless of whether they are suggested by major shareholders, third-party referrals, or other Board members, would undergo the same procedure and process. The proposal will be presented to the Nomination Committee for assessment and evaluation before being recommended to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Appointment of New Directors to the Board (Cont'd)

The Nomination Committee has been actively sourcing potential candidates for the Independent Director position as part of the Board's succession planning since the meeting held in May 2022. On 15 March 2023, Datuk Yunos Bin Abd Ghani was appointed as an INED of the Company via the recommendation from an existing Board member. Prior to the appointment of Datuk Yunos Bin Abd Ghani as an Independent Director of our Company, our Nomination Committee had carefully evaluated his qualifications and experience, time commitment, existing board positions, independence and potential conflict of interest issues with reference to the Directors' Fit and Proper Policy.

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG 2021 to the establishment of boardroom and workforce gender diversity. The Nomination Committee will endeavour to consider both suitable male and woman candidates, and candidates of all ethnicities in the recruitment exercise, when the need arises. The Board had on 1 June 2023, appointed a female Independent Director, namely Puan Rahana Binti Abdul Rashid, which represents about 14% of the Board.

4. Tenure of Independent Directors

In accordance with the amended MMLR by Bursa Securities, which now limits the tenure of an Independent Director to not more than a cumulative period of 12 years from the date of their initial appointment as an Independent Director, the Nomination Committee has taken note that both Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Datuk Mohamed Salleh Bin Bajuri have served as INED of the Company for more than 12 years. In light of the latest MMLR and the MCCG 2021, the Nomination Committee took the opportunity to enhance the composition of the Board and reorganise the composition of the Board Committees, aligning with the new guidelines in FY2023. The Nomination Committee had on 15 March 2023, proposed and recommended, through a circular resolution, the appointment of a new INED and proposed changes to the composition of the Board and Board Committees for the Board's approval. Upon the recommendation of the Nomination Committee, the proposed changes have been approved by the Board via a Directors' Circular Resolution passed on 15 March 2023.

During the financial year under review, none of the INED has reached the 9-year tenure.

5. Annual assessment of Independence of Independent Directors

The Board recognises the importance of independence and objectivity in its decision making process. The presence of INED is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders and other stakeholders with whom the Group conducts its business are well represented and taken into account.

The Board has undertaken an annual assessment on the Independent Directors via disclosed interests and the criteria for assessing their independence developed by the Nomination Committee and adopted by the Board. The incumbent Independent Directors of the Company have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the MMLR of Bursa Securities.

6. Re-election of Directors

In accordance with the Company's Constitution, one-third (1/3) of the Board members (including the Managing Director) or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), are subject to retirement and be eligible for re-election at each Annual General Meeting ("AGM"). All newly appointed Directors shall hold office until the next AGM, and shall then be eligible for re-election. All Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.

The performance of those Directors who are subject to re-election at the AGM will be subject to an assessment conducted by the Nomination Committee, whereupon the Nomination Committee's recommendations are made to the Board on the proposed re-election of the Directors concerned for shareholders' approval at the AGM. The re-election of each Director is voted as a separate resolution during the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7. Annual Evaluation of Directors

The Board annually evaluates its performance and governance processes with the aim of improving individual Director's contributions, and effectiveness of the Board and its Committees.

During the financial year, a Board evaluation exercise was carried out to assess the performance and effectiveness of the Board, Board Committees and the contribution of each Director based on a set of pre-determined criteria.

The Nomination Committee reviewed the overall results of the evaluations conducted and subsequently shared with the Board and highlighted those areas which required further and continuous improvement.

8. 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.

During the FY2023, five (5) Board meetings were held. The attendance of each Board member based on the number of meetings attended during the time the Board member held office, are as follows:

Name of Directors	Attendance of Meetings	Percentage of Attendance (%)
Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	5/5	100%
Dato' Mustapha Bin Buang	5/5	100%
Datuk Mohamed Salleh Bin Bajuri	5/5	100%
Mr Chai Yee Choong	4/4*	100%
Dr Yu Tat Loong	5/5	100%
Mr Sherman Lam Yuen Suen	5/5*	100%
Ms Soon Dee Hwee	1/1*	100%
Datuk Yunos Bin Abd Ghani	—*	—
Puan Rahana Binti Abdul Rashid (Appointed on 1/6/2023)	N/A	N/A

* Based on the number of meetings attended during the time the Director held office.

All the Directors have complied with the minimum requirement of at least 50% on attendance of Board meetings during the financial year as stipulated in the MMLR of Bursa Securities.

In compliance with Paragraph 15.06 of the MMLR of Bursa Securities, the Directors of the Company hold not more than 5 directorships in public listed companies. This enables them to discharge their duties effectively by ensuring that their commitment, resources and time are focused on the affairs of the Group.

In the intervals between Board Meetings, for exceptional matters requiring urgent Board decisions, the Boards' sanctions are obtained via circular resolutions where sufficient information is attached to the resolution to facilitate the Board in making informed decisions. All circular resolutions approved by the Board were tabled for affirmation at the subsequent board meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

9. Directors' Training

The Board acknowledges that continuous education is vital to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the skills and knowledge in discharging its responsibilities.

All the Directors had attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities. Apart from attending the Mandatory Accreditation Programme as required by Bursa Securities, they have also attended other training programmes organised by the relevant regulatory authorities or professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment. The Directors are mindful that they should continue to update their skills and knowledge to sustain their active participation in Board deliberations and maximise their effectiveness during their tenure.

Additionally, all the 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, webinars and the Directors are encouraged to attend such training at the Company's expenses. The records of all training programmes attended by the Directors are maintained by the Company Secretary.

Annually, the Board (through the Nomination Committee) reviewed the training programmes attended by the Directors and assessed the training needs of its members to assist them in the discharge of their duties as Directors. Details of the training programmes (eg. conferences, workshops, seminars and webinars) attended by the Directors during the FY2023 are as follows:

Name of Directors	Training Programmes Attended	Organiser	Date
Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	1) PNB Knowledge Forum 2022 – Sustainable Investing ESG at the Forefront	Permodalan Nasional Berhad (PNB) Research Institute Sdn Bhd	21 April 2022
	2) Transfer of Technology Seminar & Exhibition 2022	Malaysian Palm Oil Board	28 June 2022
	3) PNB Knowledge Forum 2022 – Tall Buildings & Living in the Space Age: The Enigma & Convergence of Science & Art	PNB Research Institute Sdn Bhd	10 August 2022
	4) Climate Governance: A Standing Item on Board Agenda	Bursa Malaysia Berhad	11 August 2022
	5) Governance in Audit Conference – Auditing in This New Governance Era	Malaysian Institute of Corporate Governance and The Institute of Internal Auditors Malaysia	6 September 2022
	6) Corporate Governance Conference 2022: Investment Stewardship in Times of Heightened Sustainability Demands	Institutional Investors Council Malaysia	23 September 2022
	7) Board Talk on The Working Future: More Human, Not Less	Bain & Company (Mr James Root & Mr Shazrul Asari)	10 October 2022
	8) Malaysia Global Boardroom Program Launch / The DNA of Future Chairs	Deloitte Malaysia	17 November 2022
	9) Building Towards a Corrupt-Free Nation	Malaysian Institute of Management	15 December 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Training Programmes Attended	Organiser	Date
Dato' Mustapha Bin Buang	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers: Corporate Disclosure Framework and Policy	Bursa Malaysia Berhad	16 August 2022
Datuk Mohamed Salleh Bin Bajuri	1) Audit Oversight Board Conversation with Audit Committee	Securities Commission	7 April 2022
	2) Building Back Better: A Sustainable, Resilient Recovery Post Pandemic	Institute of Corporate Directors Malaysia	9 June 2022
Mr Chai Yee Choong	Mandatory Accreditation Programme	Bursa Malaysia Berhad	23-25 August 2022
Dr Yu Tat Loong	1) 11 th Annual Shopping Mall Summit Post Training	In-House Training Conducted by Safety & Health Officer	18 June 2022
	2) Leadership Development Program Training	T & T Business Solutions	6-7 August 2022
	3) Understanding OSHA 1994 & FMA 1967	In-House Training Conducted by Mall Management Division	29 October 2022
Mr Sherman Lam Yuen Suen	MIA International Accountants Conference 2022 : Leading ESG, Charting Sustainability	Malaysian Institute of Accountants	8-9 June 2022

III. Remuneration**1. Policy and Procedures**

The Company has formalised and adopted a Remuneration Policy to provide clear and guiding principles for determining the remuneration of the Board and Senior Management such that the remuneration packages offered by the Company can be competitive, adequate and in line with the market practices to attract, retain, motivate and reward talented individuals to drive and pursue the key strategies of the Group. The Remuneration Policy is available on the Company's website.

The remuneration package of each individual Executive Director is structured to reflect his experience, performance and scope of responsibilities. Our Managing Director is bound by a contract of service, which will be subject to review by the Nomination Committee every two (2) years. For Non-Executive Directors, the level of remuneration reflects their experience, expertise and level of responsibilities undertaken by the Non-Executive Directors concerned. Market survey data is also used to benchmark the Directors' fees against other comparable companies which are in similar industry or with similar size (market capitalisation) before recommendation is made to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2. Remuneration Committee

The Remuneration Committee was established by the Board on 29 May 2002. The role of the Remuneration Committee is to assist the Board in overseeing the remuneration policies for Directors and key senior management. The Remuneration Committee has written terms of reference dealing with its authority, duties and responsibilities, which can be accessed at the Company's website.

The Remuneration Committee consists of four (4) members, all of whom are Non-Executive Directors with a majority of them being independent. The composition of the Remuneration Committee and the changes that took place during the FY2023 and up to the issuance date of this Annual Report are as follows:

Chairman	Designation
Puan Rahana Binti Abdul Rashid (Appointed on 1/6/2023)	INED
Members	
Datuk Mohamed Salleh Bin Bajuri	NINED
Mr Chai Yee Choong	INED
Datuk Yunos Bin Abd Ghani (Appointed on 15/3/2023)	INED

The Remuneration Committee was previously chaired by Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas. Following the re-designation of Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas as NINED on 15 March 2023, he ceased to be the Chairman of Remuneration Committee. Consequently, Puan Rahana Binti Abdul Rashid, an INED had on 1 June 2023 appointed as new Chairman of the Remuneration Committee in place of Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas.

During the financial year under review, there was a meeting held and attended by all its members. The Remuneration Committee, at its meeting held on 23 February 2023, reviewed and recommended for the Boards' approval, the proposed remunerations of the Executive and Non-Executive Directors and Senior Management in respect of financial year 2023 performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Details of Directors' Remuneration

The details for the remuneration of the Directors of the Company (received from the Company and on a group basis respectively) for the FY2023 are as follows:

Name of Directors	Directors' Fees RM'000	Salaries RM'000	Bonuses RM'000	Meeting Attendance Allowances RM'000	Defined Contribution Plan RM'000	Total RM'000
Executive Director Dato' Mustapha Bin Buang	–	1,431	2	–	340	1,773
Non-Executive Directors Datuk Mohamed Salleh Bin Bajuri	108	–	–	5	–	113
Mr Chai Yee Choong	50	–	–	4	–	54
Mr Sherman Lam Yuen Suen	55	–	–	5	–	60
Ms Soon Dee Hwee	16	–	–	1	–	17
Received from the Company	229	1,431	2	15	340	2,017
Non-Executive Chairman Tan Sri Dato' Seri (Dr) Hj. Megat Najmuddin Bin Datuk Seri Dr Hj. Megat Khas	144	–	–	5	–	149
Executive Directors Dr Yu Tat Loong	–	760	2	–	92	854
Received from subsidiaries	144	760	2	5	92	1,003
Total Group	373	2,191	4	20	432	3,020

Other than the remuneration of the Board, the Company has not disclosed on a named basis the top five (5) senior management's remuneration in view of the competitiveness in the market for senior talent. The remuneration of the top 5 Senior Management (including salary, bonus and allowances) in each successive bands of RM50,000 for the year under review are disclosed in the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**I. Audit Committee****ARMC**

The Board is assisted by the ARMC in governing its oversight of the Group's financial reporting, the quality and integrity of its financial reporting as well as its overall risk management. The quarterly results and audited financial statements are reviewed by the ARMC and the External Auditors (for audited financial statements) and approved by the Board before being released to Bursa Securities.

Datuk Mohamed Salleh Bin Bajuri was the Chairman of ARMC whilst the Chairman of the Board is Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas. Following re-designation of Datuk Mohamed Salleh Bin Bajuri as NINED, he relinquished his role as the Chairman of the ARMC and was redesignated as member of ARMC on 15 March 2023, in accordance with the ARMC's terms of reference which require the Chairman to be an Independent Director. Subsequently, Mr Chai Yee Choong had on 15 March 2023 appointed as the new Chairman of the ARMC in place of Datuk Mohamed Salleh Bin Bajuri.

The Chairman and members of our ARMC are financially literate where all of them have the necessary experience and possess economics and financial background to meet their responsibilities and to provide an effective level of challenge to management. Their qualifications and experience are disclosed in the Profile of the Board in this Annual Report.

The ARMC Report including its membership, composition and summary of work carried out by the ARMC during the FY2023 is presented on pages 65 to 70 of this Annual Report.

The Board reviewed the term of office and assessed the performance of the ARMC and its members through the Nomination Committee. The Board has confirmed its satisfaction with the performance of the ARMC during the financial year under review in discharging its duties and responsibilities in accordance with its terms of reference.

II. Risk Management and Internal Control Framework**1. Sound Risk Management Framework**

The Board is responsible for the Group's risk management framework and system of internal control which sets out its risk management strategy, risk structure, risk assessment processes, risk communication and risk monitoring and review.

The Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. The Board delegated its role on risk management to RMWC to take charge of the operational risks of the Group. The RMWC comprises Heads of respective Departments of the Group and led by the Financial Controller. RMWC oversees, identifies, evaluates, controls, monitors and reports on the critical risks faced by the Group on an on-going basis, including remedial measures to be taken to address the risk vis-à-vis the risk parameters of the Group to ARMC.

The details of the risk management and internal control system of the Group are set out in the Statement on Risk Management and Internal Control in this Annual Report.

2. Internal Audit Function

The Board has the ultimate responsibility for the Group's system of internal controls which includes the establishment of an appropriate control environment and framework, and the review of its effectiveness, adequacy and integrity. A sound system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable rather than absolute assurance against material misstatement, loss or fraud.

The Group has an established internal audit functions performed in-house by the Internal Audit Department, which reports directly to the ARMC. The main role of the Internal Audit Department is to undertake regular reviews of the Group's systems of internal control, risk management and governance so as to provide assurance to the ARMC that the internal control system is sound, adequate and operating effectively in all material respects.

The details and activities of the internal audit function are set out in the ARMC Report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**I. Communication with Stakeholders****Investors Relations and Shareholders Communication**

The Company strives to maintain an open and transparent channel of communication with its stakeholders. The Company believes that a constructive and effective investor relationship is an essential factor in enhancing value for its shareholders.

Timely announcements and disclosures are made to Bursa Securities, which include the financial results, changes in the composition of the Group and any other material information that may affect investors' decision making. Financial results are released on a quarterly basis to provide shareholders and other stakeholders with a regular overview of the Group's performance. All announcements made by the Company to Bursa Securities are also available to shareholders and the market on the Investor Relations section of the Company's website.

The Company's website, www.asianpac.com.my provides detailed information on the Group's projects and assets, as well as the profiles of the Board. The website has a dedicated section on investor relations which contains announcements to Bursa Securities, quarterly financial results, annual reports and stock information, among others.

The Group welcomes inquiries and feedback from shareholders and other stakeholders. Shareholders and other stakeholders are encouraged to convey any queries or concerns regarding the Group to the designated representatives. They can do so by sending an email to query@asianpac.com.my or by using the contact form available under the 'Contact Us' section on the Company's website. The Group highly values the input of shareholders and other stakeholders and looks forward to addressing any questions or concerns they may have.

II. Conduct of General Meetings**AGM**

The Board encourages shareholders' participation in general meetings. The AGM of the Company provides the principal forum for shareholders to share their views. It also provides open dialogue opportunity and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutions at general meetings on clarifications of pertinent and relevant information is encouraged.

In providing a more efficient and wide-spread shareholders' participation, the Company had conducted its 104th AGM virtually through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities provided by the appointed Poll Administrator for the AGM. The virtual AGM had enabled shareholders to participate remotely and safely from wherever they were. A shareholder who was not able to participate in the AGM was given the option of appointing a proxy to participate remotely and vote online on his/her behalf.

In 2022, the Company had served more than 28 days' notice for its 104th AGM scheduled on 13 September 2022. The notice period given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report to Shareholders and to make the necessary arrangements to participate in the meeting. The Notice of AGM was published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. In addition, the 2022 Annual Report together with the Notice of 104th AGM, Proxy Form, and Administrative Guide were also posted on the website of Asian Pac and Bursa Securities.

The Administrative Guide of the AGM including the procedures for RPV facilities, appointment of proxy, entitlement to participate, voting at meeting and pre-meeting submission of question to the Board of Directors were published in the Company's website and shared with shareholders along with the Notice of AGM. Hence, the eligible shareholders were able to attend, speak and vote either by themselves, or appoint their proxy(ies) to attend, speak and vote on behalf via RPV facilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

AGM (cont'd)

The Chairman provided ample time and opportunities for the Questions and Answers session during the 104th AGM. All the Directors together with the management team and External Auditors were present to respond to the queries raised by shareholders. Shareholders were also encouraged to send in their questions prior to the 104th AGM through the online platform provided by the Company's Poll Administrator for the 104th AGM. During the AGM, the Chairman read out and answered the relevant questions received and for those questions that were not answered during the AGM were responded to the shareholders by email. All the questions and answers were also recorded in the Minutes of the AGM.

All resolutions set out in the notice of the 104th AGM were voted remotely by poll. Scrutineer Solutions Sdn Bhd, the independent scrutineer validated the votes for each resolution. The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd as its Polling Administrator for the conduct of the online polling.

The minutes of the 104th AGM is available on the Company's website for the information of the public.

This Corporate Governance Overview Statement together with the CG Report were approved by the Board on 17 July 2023.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (**"the Act"**) to prepare the financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards and International Financial Reporting Standards, the requirements of the Act in Malaysia and the MMLR of Bursa Securities.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) adopted appropriate accounting policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent;
- (iii) prepared financial statements on the going concern basis; and
- (iv) ensured that the financial statements are in accordance with the provisions of the Act, the applicable financial reporting standards and MMLR of Bursa Securities.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the MMLR of Bursa Securities:

1. AUDIT AND NON-AUDIT FEES

Details of audit and non-audit fees incurred for services rendered by the External Auditors to the Company and Group respectively for the financial year ended 31 March 2023 are as follows:

	Group RM	Company RM
Audit fees	267,000	52,000
Non-audit fees	5,000	5,000
Total:	272,000	57,000

Non-Audit fees payable to the External Auditors for the financial year ended 31 March 2023 for review of the Statement on Risk Management & Internal Control.

2. MATERIAL CONTRACTS INVOLVING THE INTEREST OF DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

Other than those disclosed in the audited financial statements, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interest of directors, chief executive who is not a director, or major shareholders during the financial year ended 31 March 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Asian Pac is pleased to present the report of Audit and Risk Management Committee of the Board for the FY2023.

COMPOSITION

The ARMC consists of four (4) members, all of whom are Non-Executive Directors with a majority of them being independent and none of them is an alternate director.

The composition of the ARMC and the changes that took place during FY2023 and up to the issuance date of this Annual Report are as follows:

1. Mr Chai Yee Choong (Chairman)
(INED)
(Appointed as member of ARMC on 28/2/2023 and redesignated as Chairman of ARMC on 15/3/2023)
2. Datuk Mohamed Salleh Bin Bajuri (Member)
(NINED)
(Following his redesignation to "NINED", he relinquished his role as the Chairman of ARMC and redesignated as member of ARMC on 15/3/2023, in accordance with the ARMC's terms of reference which require the Chairman to be an independent director)
3. Datuk Yunos Bin Abd Ghani (Member)
(INED)
(Appointed as member of ARMC on 15/3/2023)
4. Puan Rahana Binti Abdul Rashid (Member)
(INED)
(Appointed as member of ARMC on 1/6/2023)

Members who have resigned since the last ARMC Report are as follows:

1. Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas
(NINED)
*(Resigned on 15/3/2023)
(His resignation is in line with the new Practice 1.4 of the MCGG 2021)*
2. Mr Sherman Lam Yuen Suen
(INED)
*(Resigned on 28/2/2023)
(Following his resignation as INED of the Company, he also relinquished his role in the ARMC)*
3. Ms Soon Dee Hwee
(INED)
*(Resigned on 5/7/2022)
(Following her resignation as INED of the Company, she also relinquished her role in the ARMC)*

The composition of the ARMC meets the requirements of Paragraph 15.09 of the MMLR of Bursa Securities. All of the ARMC members are financially literate and have the relevant experience and capabilities necessary to discharge their duties and responsibilities effectively. The Chairman of ARMC, Mr Chai Yee Choong graduated with a Bachelor's Degree in Finance and is a Chartered Financial Analyst holder. The ARMC membership is in line with Paragraph 15.09(1)(c) of the MMLR as at least one member of the ARMC is a qualified accountant.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION (CONT'D)

The ARMC has an Independent Chairman, who is not the Chairman of the Board. This is in line with Paragraph 15.10 of the MMLR and Practice 9.1 of the MCCG 2021.

The Board has reviewed the terms of office of the ARMC members and assessed the performance of the ARMC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the ARMC and its members have discharged their functions, duties and responsibilities in accordance with the ARMC's terms of reference, supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

The profile of each member of the ARMC is set out in the Profile of the Board in this Annual Report.

TERMS OF REFERENCE

The ARMC is guided by its terms of reference in performing its duties and discharging its responsibilities. The terms of reference of the ARMC are available on the Company's website at www.asianpac.com.my.

The ARMC reviews its terms of reference from time to time to ensure it remains consistent with the current laws and corporate governance practices. The revised terms of reference were reviewed by the ARMC on 23 February 2023 and approved by the Board on the same day.

MEETINGS AND ATTENDANCE

During the FY2023, five ARMC meetings were held. The attendance of each member based on the number of meetings attended during the time the ARMC member held office are as follows:

Name of ARMC Members	Attendance of Meetings
Datuk Mohamed Salleh Bin Bajuri	5/5
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas #	5/5
Mr Sherman Lam Yuen Suen ~	5/5
Ms Soon Dee Hwee *	1/1
Mr Chai Yee Choong ^	4/4

Prior his cessation as ARMC member on 15 March 2023

~ Prior his cessation as ARMC member on 28 February 2023

* Prior her cessation as ARMC member on 5 July 2022

^ Prior his appointment as ARMC member on 28 February 2023, he attended the ARMC meetings by invitation of the Committee.

Subsequent to the FY2023 and up to the issuance date of this Annual Report, two ARMC meetings were held. The attendance record of each ARMC member for these meetings are as follows:

Name of ARMC Members	Attendance of Meetings
Mr Chai Yee Choong	2/2
Datuk Mohamed Salleh Bin Bajuri	2/2
Datuk Yunos Bin Abd Ghani ^	2/2
Puan Rahana Binti Abdul Rashid ~	1/1

^ After his appointment as ARMC member on 15 March 2023

~ After her appointment as ARMC member on 1 June 2023

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEETINGS AND ATTENDANCE (CONT'D)

The Executive Directors, Internal Auditors, Financial Controller and the Group Accountant were invited to attend the meetings for the purpose of briefing the ARMC on the activities involving their areas of responsibility. The External Auditors were present at 4 out of the total 7 meetings held whereby 2 were attended by the outgoing External Auditors, Messrs Ernst & Young PLT (“**EY**”) and 2 were present by the new auditors, Messrs UHY (“**UHY**”). The ARMC also met with the External Auditors without the presence of the executive board member and Management at 2 of those meetings.

The Chairman of the ARMC would engage on a continuous basis with the senior management in order to be kept informed of matters affecting the Group.

The Secretary was responsible for drawing up the agenda and circulating it, supported by explanatory documentation to the ARMC prior to each meeting.

Minutes of each ARMC meeting were recorded and tabled for confirmation at the following ARMC meeting and they were subsequently circulated to the Board for information. The Chairman of ARMC will report key issues deliberated to the Board during the Board meetings which were held immediately after the ARMC meetings.

SUMMARY OF WORKS

During the FY2023 and up to the issuance date of this Annual Report, the ARMC carried out its activities in line with the ARMC’s terms of reference, which are summarised as follows:-

i) Financial Reporting

- Reviewed the quarterly financial results for the 4th quarter of 2022 and the annual audited financial statements for FY2022 for recommendation to the Board for approval and release to Bursa Securities, at the ARMC meetings held on 26 May 2022 and 12 July 2022 respectively.
- Reviewed and discussed with Management, the 12 months cash flow forecast and fund status of the Company and the Group at the ARMC meetings held on 26 May 2022, 25 August 2022 and 24 November 2022.
- Reviewed the quarterly financial results for the 1st, 2nd, 3rd and 4th quarter of 2023, and the annual audited financial statements for FY2023 for recommendation to the Board for approval and release to Bursa Securities, at the ARMC meetings held on 25 August 2022, 24 November 2022, 23 February 2023, 29 May 2023 and 17 July 2023 respectively, which focusing particularly on:
 - ✓ going concern assumption;
 - ✓ compliance with accounting standards and regulatory requirements;
 - ✓ changes in major accounting policies and practices and its implementation;
 - ✓ significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
 - ✓ the outlook and prospects of the Group; and
 - ✓ significant audit issues and adjustments arising from the audit

In relation to the aforementioned reviews, the discussions included various matters, including key audit matters and the implications to the Group, and how these matters were addressed in the audit, the identification of key contributing factors to the fluctuations in the financial performance and position of the Group to enhance AMRC’s understanding of the Group’s business operations.

ARMC requested Management to improve the reporting format for the detailed financial reporting and to provide a detailed breakdown of the cost of sales for individual projects to enhance clarity and understanding at the ARMC meetings held on 25 August 2022 and 24 November 2022 respectively.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

ii) External Auditors

- Reviewed with the External Auditors, the audit report, issues, reservations and Management responses arising from their audit of the financial statements for the FY2022, at the ARMC meeting held on 26 May 2022. The External Auditors briefed the ARMC among others, on the audit status and outstanding matters, audit areas of emphasis and audit findings in relation to the financial statements for the FY2022.
- In May 2022, the ARMC performed an annual assessment to evaluate the suitability and independence of EY for their re-appointment as Auditors of the Company at the 104th AGM. The evaluation results were tabled at the ARMC meeting held on 12 July 2022. The ARMC was satisfied with the suitability and independence of the External Auditors and thereby recommended to the Board to table for shareholders' approval on their re-appointment. The shareholders had duly approved the re-appointment of External Auditors at the AGM held on 13 September 2022.
- Reviewed with EY on 12 July 2022, the annual audited financial statements including the Independent Auditors' Report for FY2022, where relevant disclosures in the annual audited financial statements were deliberated.
- The ARMC had a discussion session with EY on 12 July 2022 without the presence of the Management.
- EY had on 28 July 2022, presented the annual audited financial statements for FY2022 including the Independent Auditors' Report, confirming that no material misstatements of the financial statements due to fraud audit report had been identified during the course of their audit and therefore an unqualified opinion on the financial statements of the Group was issued.
- At the ARMC meeting held on 24 November 2022, upon the assessment of UHY's capabilities, independence and proposed audit fees, the proposed change of auditors from EY to UHY was endorsed by the ARMC and recommended to the Board for approval. The Board had via a Directors' Circular Resolution, approved the ARMC's recommendation for the appointment of UHY in place of EY and to hold office until the conclusion of the next AGM of the Company at a remuneration to be determined by the Directors.
- UHY for the first time attended the ARMC meeting held on 23 February 2023. During this meeting, the ARMC reviewed with UHY, their audit plan, scope of audit, audit timeline, audit focus areas, and key audit matters of the financial statements for FY2023. UHY confirmed their independence throughout the audit engagement, in accordance with the By-Laws of the Malaysian Institute of Accountants.

At the same meeting, the ARMC reviewed the proposed total audit and non-audit fees for the External Auditors in relation to the FY2023. The non-audit service comprised the reviews of the Statement on Risk Management and Internal Control and housing development accounts. The non-audit fees of RM5,000 was not significant as compared to the amount of audit fees. In this respect, the ARMC concluded that the provision of non-audit service by the external auditors did not impair their objectivity and independence as external auditors.

- In April 2023, the ARMC assessed the suitability and independence of UHY for their re-appointment as Auditors of the Company at the forthcoming 105th AGM via an evaluation questionnaire completed by each member of ARMC. The evaluation results were tabled at the ARMC meeting held on 29 May 2023. Given this is the first year of UHY's appointment, it may not be possible to provide a comprehensive assessment in the current cycle. ARMC would continue to monitor UHY's performance and the evaluation process was expected to yield more meaningful insights in the coming year. Furthermore, it was confirmed by UHY that they were not aware of any matters that could impair their independence, hence, it further affirms their suitability as external auditors of the Company. Based on the above considerations, the ARMC recommended to the Board the re-appointment of UHY at the forthcoming 105th AGM of the Company.

The Board at its meeting held on 29 May 2023, approved the ARMC's recommendation based on the evaluation results, for the re-appointment of external auditors, subject to the shareholders' approval being sought at the 105th AGM to be held on 13 September 2023.

- Reviewed with UHY on 17 July 2023, the annual audited financial statements including the Independent Auditors' Report for the FY2023, where relevant disclosures in the annual audited financial statements were deliberated.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

iii) Internal Audit

- Reviewed the internal audit reports presented by the Head of Internal Audit that detailed the audit findings and recommended corrective actions, as well as Management's responses and action plans in addressing the identified risks and internal control deficiencies, at the ARMC meetings held on 26 May 2022, 25 August 2022, 24 November 2022, 23 February 2023 and 29 May 2023. A total of 15 audit engagements were completed during the FY2023.

At each ARMC meeting, the Internal Audit Progress Reports also presented to the ARMC to provide update on audit activities and the status of implementation of prior quarter audit report recommendations until they were fully implemented.

- Reviewed and discussed the quarterly status report of the employees' voluntary disclosures of gifts, hospitality, and sponsorships offered and received in compliance with the Group's Anti-Bribery and Corruption Policy, at the ARMC meetings held on 26 May 2022, 25 August 2022, 24 November 2022, 23 February 2023 and 29 May 2023.
- Reviewed and approved the risk-based internal audit plan for 2024 ensuring adequacy of scope, coverage and resources required to perform audits for the identified auditable areas, at the ARMC meeting held on 23 February 2023.

iv) Related Party Transactions

- Reviewed the related party transactions entered into by the Company and the Group to ensure that transactions entered into were at arm's length basis on normal commercial terms, at the ARMC meetings held on 26 May 2022, 25 August 2022, 24 November 2022, 23 February 2023 and 29 May 2023.

v) Risk Management

- Reviewed and discussed with Management the quarterly risk register for the Group at the ARMC meetings held on 26 May 2022, 25 August 2022, 24 November 2022, 23 February 2023 and 29 May 2023. The Chairman of the RMWC reported to the ARMC the proceedings of the quarterly committee meeting. The minutes of the RMWC meetings were tabled to the ARMC for notation.
- Reviewed and adopted the new financial impact risk threshold amount as proposed by the RMWC, in ensuring the Risk Management Framework remain relevant and practical at the ARMC meeting held on 29 May 2023.

vi) Others

- Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the 2022 Annual Report, at the ARMC meeting held on 12 July 2022.
- Reviewed and recommended to the Board for approval, the ARMC Report for inclusion in the 2022 Annual Report, at the ARMC meeting held on 12 July 2022.
- Reviewed and recommended to the Board for approval, the Corporate Governance Overview Statement and Notice of AGM for inclusion in the 2023 Annual Report, as well as the CG Report, at the ARMC meeting held on 17 July 2023.
- Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report, at the ARMC meeting held on 17 July 2023. The ARMC was informed that the External Auditors had reviewed the Statement on Risk Management and Internal Control to ensure that the disclosures were in compliance with the guidelines.
- Reviewed and recommended to the Board for approval, the ARMC Report for inclusion in the 2023 Annual Report, at the ARMC meeting held on 17 July 2023.
- Reviewed and recommended to the Board for approval, the Sustainability Statement for inclusion in the 2023 Annual Report, at the ARMC meeting held on 17 July 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

vi) Others (Cont'd)

- The ARMC has the responsibility in overseeing the implementation and monitoring of the Whistleblowing Policy. In February 2023, the ARMC was notified that the Company had received an anonymous letter from a whistleblower whose allegations against an employee who purported abused her position for self-benefit. Following a thorough investigative audit, there were insufficient evidence to support the allegations. Nonetheless, Management has taken necessary actions to strengthen the internal controls.

INTERNAL AUDIT FUNCTION

The Group has an established independent internal audit function performed in-house by the Internal Audit Department (“**IAD**”), which reports directly to the ARMC.

As at 31 March 2023, the IAD has 2 full-time personnel, comprising the Head of Group Internal Audit and Senior Executive, Internal Audit. The name and qualification of each member of the IAD are set out below:

1. Mr Eugene Foo holds the position of Head of Group Internal Audit. Mr Eugene Foo has a Bachelor's Degree with Distinction in Business (majoring in Business Administration) from the Royal Melbourne Institute of Technology University and is a member of the Institute of Internal Auditors, Malaysia. He has extensive experience in internal audit, risk management and compliance with 30 years of working experience within multinational and publicly listed organisations. Mr Eugene Foo has no relationships or conflicts of interest that would impair the objectivity or independence of the function in the performance of his duties.
2. Ms Jas Noor Nadhirah Binti Jas Nasarudin holds the position of Senior Executive, Internal Audit. Ms Jas Noor Nadhirah has a Bachelor of Accounting and is a member of the Institute of Internal Auditors, Malaysia. She has 7 years of experience in the areas of internal audit, risk management and compliance. Ms Jas Noor Nadhirah has no relationships or conflicts of interest that would impair the objectivity or independence of the function in the performance of her duties.

The main role of the IAD is to undertake regular and systematic reviews of the Group's systems of internal control, risk management and governance so as to provide reasonable assurance to the ARMC that the system of internal control system is sound, adequate and operating effectively in all material respects.

Apart from the aforesaid internal audit mandate, the IAD also evaluates the effectiveness of the Group's risk management processes by conducting risk-based audits.

The IAD's scope of responsibilities extends to all business and operational units within the Group. In fulfilling its mandate, the IAD conducted the following activities during the financial year and up to the issuance date of this Annual Report:

- (a) Tabled the completed audit reports to the ARMC at its quarterly meetings, detailing the audit findings, audit recommendations and Management responses. As per IAD's methodology, follow-up audits/activities were also undertaken to ascertain the implementation status of agreed action plans within the required timeframes; the results of which were reported to the ARMC.
- (b) Prepared and tabled for the ARMC's approval, the internal audit plan for 2024 which covered key business and operational units within the Group, at the ARMC meeting held on 23 February 2023.
- (c) Prepared and tabled the Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report, at the ARMC meeting held on 17 July 2023.
- (d) Reviewed related party transactions entered into by the Company and its subsidiaries on a quarterly basis.
- (e) Reviewed the employee's compliance with the Company's established ABC Policy.

In May 2023, the ARMC also undertook an evaluation of the effectiveness of the internal audit function for FY2023, which covered the adequacy of IAD's scope, its functions, resources, authority and independence, as well as the competency of internal audit staff. The results of the evaluation were tabled at the ARMC meeting held on 29 May 2023. The ARMC was satisfied that the IAD continues to operate satisfactorily.

The costs incurred by IAD in discharging its functions and responsibilities during the FY2023 amounted to RM300,120 (FY 2022: RM253,809).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. Pursuant to Paragraph 15.26(b) of the MMLR by Bursa Securities, the principles, practices and guidance relating to risk management and internal controls provided in the MCCG 2021 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board is pleased to present the following statement with respect to the state of risk management and internal control of the Group for the current financial period ended 31 March 2023.

BOARD RESPONSIBILITY

The Board is responsible for overseeing the Group's risk management and system of internal controls 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 implemented an effective framework for identifying, assessing, managing and monitoring key business risks. The Board has also put in place a sound system of internal control for the Group, which is detailed under the sub header of Internal Control below.

Due to limitations inherent in any system of risk management and internal control, these systems are designed to manage rather than eliminate the respective 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 misstatements, loss or fraud.

RISK MANAGEMENT

The Board recognises the importance of identifying and managing principal risks of the Group's daily operations and that the identification and management of such risks will affect the achievement of the Group's corporate objectives.

As part of the integral process of risk management, the Group's risk management framework is structured in a manner by which the existence of significant risks of the Group have been identified, assessed and managed on an ongoing basis.

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 ARMC 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.
- b) All heads of departments are accountable for ensuring the effective implementation, maintenance and updating of established authorisation limits, policies and procedures embedded within the organisation's system of internal controls.
- c) 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- d) 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
- e) An independent internal audit department reports directly to the ARMC on a regular basis 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 as detailed in an approved risk-based annual audit plan. 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.
- f) 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.
- g) 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.
- h) 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.
- i) 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, internal and external training courses. In line with this aspiration and as a commitment, the Group contributes to the Human Resource Development Corporation.
- j) Formal job descriptions and key performance indicators have been established for all employees.
- k) The Group has in place Employee Handbook and the Code 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.
- l) The whistle-blowing policy and ABC Policy published in the Company's website at [www.asianpac.com.my/Corporate Governance/](http://www.asianpac.com.my/CorporateGovernance/) is a commitment of the Board to integrity and ethical behaviour. The policy sets out the procedures for employees and the general public to disclose improper conduct within the Group without fear and favour.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

This statement is reviewed and approved by the Board at the Board meeting held on 17 July 2023. As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this statement. The External Auditors have reviewed this statement pursuant to the scope set out in the Audit and Assurance Practice Guide 3 (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.

Based on procedures performed and evidence obtained, the external auditors have reported to the Board that nothing had come to their attention that caused them to believe that this 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*, nor is the Statement 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.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

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 associates are disclosed in Notes 7 and 8 to the financial statements respectively.

Results

	Group RM'000	Company RM'000
Profit/(loss) for the year	3,403	(5,444)
Profit/(loss) attributable to:		
Owners of the parent	5,957	(5,444)
Non-controlling interests	(2,554)	-
	3,403	(5,444)

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.

Reserves and provisions

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

Dividends

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

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

DIRECTORS' REPORT

Directors

The names of 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 (Dr) Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas*
Dato' Mustapha bin Buang*
Dr. Yu Tat Loong*
Sherman Lam Yuen Suen (resigned on 28 February 2023)
Datuk Mohamed Salleh bin Bajuri
Soon Dee Hwee (resigned on 5 July 2022)
Chai Yee Choong (appointed on 1 June 2022)
Datuk Yunos Bin Abd Ghani (appointed on 15 March 2023)
Rahana Binti Abdul Rashid (appointed on 1 June 2023)

* These Directors are also Directors of the Company's subsidiaries.

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Mah Sau Cheong
Mah Siew Hoon
Mah Chorng Wei
Lokman Bin Zakaria
Rostam Affandi Bin Ahmad

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 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") and warrants issued by Asian Pac Holdings Berhad ("APHB") as disclosed in Note 14 to the financial statements.

DIRECTORS' REPORT

Directors' benefits (cont'd.)

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those shown below) 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, except as disclosed in Note 33 to the financial statements.

The Directors' benefits are as follows:

	Group RM'000	Company RM'000
<u>Executive Directors</u>		
Salaries and other emoluments	2,627	1,773
<u>Non-Executive Directors</u>		
Fees and other emoluments	393	244

Directors' interests

According to the register of Directors' shareholdings, the interests and deemed interests of Directors of the Company in office at the end of the financial year in shares, ICULS and warrants of the Company and its related corporations during the financial year were as follows:

	----- Number of APHB ordinary shares -----			
	1 April 2022	Acquired#	Sold	31 March 2023
<i>Direct interest:</i>				
Tan Sri Dato' Seri (Dr) Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	194,800	100,000	-	294,800
Dato' Mustapha bin Buang	32,850,985	1,568,250	-	34,419,235
Datuk Mohamed Salleh bin Bajuri	500,000	250,000	-	750,000
<i>Indirect interest:</i>				
Dato' Mustapha bin Buang*	800,000	5,000	-	805,000

* Deemed interested through the shares held by his spouse.

Arising from mandatory conversion upon maturity of 5-year 3% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") on 25 May 2022. The ICULS and warrants expired on 25 May 2022.

DIRECTORS' REPORT

Directors' interests (cont'd.)

According to the register of Directors' shareholdings, the interests and deemed interests of Directors of the Company in office at the end of the financial year in shares, ICULS and warrants of the Company and its related corporations during the financial year were as follows: (cont'd.)

	I----- Number of APHB ICULS -----I			
	1 April 2022	Subscribed	Converted	31 March 2023
Direct interest:				
Tan Sri Dato' Seri (Dr) Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	20,000	-	(20,000)	-
Dato' Mustapha bin Buang	313,650	-	(313,650)	-
Datuk Mohamed Salleh bin Bajuri	50,000	-	(50,000)	-
Indirect interest:				
Dato' Mustapha bin Buang*	1,000	-	(1,000)	-

* Deemed interested through the shares held by his spouse.

	I----- Number of APHB warrants -----I			
	1 April 2022	Subscribed	Lapsed	31 March 2023
Direct interest:				
Tan Sri Dato' Seri (Dr) Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	40,000	-	(40,000)	-
Dato' Mustapha bin Buang	2,000	-	(2,000)	-
Datuk Mohamed Salleh bin Bajuri	100,000	-	(100,000)	-
Indirect interest:				
Dato' Mustapha bin Buang*	2,000	-	(2,000)	-

* Deemed interested through the shares held by his spouse.

Other than as disclosed above, none of other Directors in office at the end of the financial year had any interest in shares, ICULS and warrants of the Company and its related corporation during the financial year.

Indemnity and insurance for Directors and officers

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the Director or officer of the Group and of the Company.

Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid-up capital through the issuance of 438,389,305 new ordinary shares pursuant to the conversion of RM1 nominal value per ICULS at the conversion price of RM0.20 for every one new ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Right issue of ICULS with Warrants

On 26 May 2017, a total of 99,256,461 RM1.00 nominal value 5-year 3% ICULS have been issued and allotted to the shareholders on the basis of one ICULS for every ten ordinary shares of the Company, together with 198,512,922 free new detachable warrants to be issued on the basis of two warrants for each ICULS subscribed.

The warrants were constituted by a Deed Poll dated 10 April 2017. The warrants were listed on the Main Market of the Bursa Malaysia Securities Berhad on 31 May 2017 and confer the right to holders at any time, not later than maturity date of 25 May 2022, to subscribe for one new ordinary share of the Company for every warrant at an exercise price of RM0.25 per share or as adjusted in certain circumstances as set out in the Deed constituting the warrants. Any warrants not exercised by the date of maturity will thereafter lapse and cease to be valid for any purpose.

All the outstanding ICULS of 87,606,861 were mandatory converted into 438,034,305 ordinary shares upon its expiry on 25 May 2022. The unexercised warrants of 198,512,922 had lapsed and become null and void on its expiry date on 25 May 2022. Accordingly, both ICULS and warrants have been removed from the Official List of Bursa Securities with effect from 26 May 2022.

The movements of ICULS and warrants during the financial year were as follows:

	I----- Number of APHB ICULS -----I		
	1 April 2022	Issued	Converted
ICULS	87,677,861	-	(87,677,861)
			31 March 2023
			-
	I----- Number of APHB warrants -----I		
	1 April 2022	Issued	Lapsed
Warrants	198,512,922	-	(198,512,922)
			31 March 2023
			-

DIRECTORS' REPORT

Other statutory information

- (a) Before the statements of financial position, statements of profit or loss and statements of 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 expected credit losses and satisfied themselves that there were no known bad debts and that adequate allowance had been made for expected credit losses; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the expected credit losses 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.

Other statutory information (cont'd.)

(f) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Significant events are disclosed in Note 32 to the financial statements.

Auditors' remuneration

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
UHY	250	52
Others	17	-
	<u>267</u>	<u>52</u>

DIRECTORS' REPORT

Auditors

The auditors, UHY, have expressed their willingness to continue in office.

To the extent permitted by law, the Company has agreed to indemnify its auditors, UHY, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify UHY during or since the end of the financial year ended 31 March 2023.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 July 2023.

Tan Sri Dato' Seri (Dr) 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, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 July 2023.

Tan Sri Dato' Seri (Dr) 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 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 26 July 2023.

Wong Yee Kean
MIA 18594

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASIAN PAC HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Pac Holdings Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss, statements other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 91 to 204.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT

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 for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Key Audit Matters	How we addressed the key audit matters
<p>Revenue and cost of sales from property development activities</p> <p>Property development revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.</p> <p>This requires the estimation of selling prices, sales rates and costs to complete, determined on a project by project basis. These factors drive the gross margin for each project and hence the profit recognised.</p> <p>There is a risk that the actual revenue and costs are different to those forecasted across the whole projects resulting in material misstatement of property development costs and gross profit recognised.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate design and implementation of such controls; • Checked the revenue recognised by agreeing to the contracted selling price of the property development units and multiply with their respective stage of completion; • Checked the stage of completion of property development projects to internal or external quantity surveyors' certifications; • Corroborated the certified stage of completion with the level of completion based on actual costs incurred to date over the estimated total property development costs; • Agreed, on a sample basis, costs incurred to supporting documentation such as subcontractor claim certificates and invoices from vendors.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Revenue and cost of sales from property development activities (Cont'd)</p> <p>There is also a risk that costs are inappropriately recognised within land held for property development and property development costs or that the allocation of costs that relate to the whole projects, such as land and infrastructure costs, is inappropriate across development phases, resulting in a material misstatement of land held for property development and property development costs or gross profit of each project.</p>	<p>We have performed the following audit procedures: (Cont'd)</p> <ul style="list-style-type: none"> • Checked the reasonableness of the estimated total property development costs of major projects, allocation of costs and subsequent changes to the costs by agreeing to supporting documentation such as approved budgets, letter of awards, contracts, quotations, correspondences, contracts and variation orders with sub contractors; and • Inspected the sales and purchase contracts for all significant new land acquisitions to understand the terms and identify any deferred or contingent payments therein.
<p>Valuation of investment properties</p> <p>Refer to Note 2 (Significant accounting policies and Significant accounting judgements, estimates and assumptions) and Note 5 (Investment properties).</p> <p>Significant judgement is required by the Directors in determining the fair value of the properties and for the purpose of our audit, we identified the valuation for investment properties as representing a key audit matter due to the significance of the estimation uncertainty, coupled with the fact that a small percentage difference in individual property valuation assumptions, when aggregated, could result in a material misstatement.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluated the valuers' independence, competencies, capabilities, and objectivity; • 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; • Discussed with the independent valuers to obtain an understanding of the property related data used as input to the valuation models;

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Valuation of investment properties (Cont'd)</p> <p>The valuations were carried out annually by third party independent valuers engaged by the Group, and the models used to determine the fair values depends on the nature of the properties.</p> <p>The valuation of the investment properties is inherently subjective due to, among other factors, the individual nature of each property, the location and the expected future income for that particular property.</p>	<p>We have performed the following audit procedures: (Cont'd)</p> <ul style="list-style-type: none"> • For investment method of valuation (income approach), we assessed whether the key assumptions used in deriving the discounted cash flows such as rental rates reversion period, void rates and outgoings are consistent with the historical trend of the properties. We also assessed whether the discount rates 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 amount, timing and risk profile equivalent to those that the entity expects to derive; and • For the comparison method of valuation (market approach), we assessed the source data of the comparable transactions used by the valuers. We also obtained an understanding of the adjustments made by the valuer in accounting for differences in, amongst others, the property's location, time factor, property's size and tenure between subject properties and the comparable properties.

INDEPENDENT AUDITORS' REPORT

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT

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.
- 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.

INDEPENDENT AUDITORS' REPORT

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)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

- (i) The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditors, which was dated 28 July 2022, expressed an unmodified opinion.
- (ii) 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.

UHY

Firm Number: AF 1411

Chartered Accountants

LIM YANG YUE

Approved Number: 03544/12/2024 J

Chartered Accountant

KUALA LUMPUR

26 July 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	3	18,347	6,763	10	15
Inventories - Land held for property development	4(a)	381,354	366,824	-	-
Investment properties	5	1,289,921	1,276,340	-	-
Intangible asset	6	36,157	38,029	-	-
Investments in subsidiaries	7	-	-	465,665	466,253
Investment in associates	8	170	-	-	-
Non-current financial asset	9	12,625	6,556	4,140	2,150
Deferred tax assets	10	189	104	18	18
		<u>1,738,763</u>	<u>1,694,616</u>	<u>469,833</u>	<u>468,436</u>
Current assets					
Inventories - Property development costs	4(b)	170,254	186,980	-	-
Inventories - Completed properties and others	4(c)	2,699	4,423	-	-
Trade and other receivables	11	50,853	52,855	112,642	95,190
Contract assets in respect of property development	11(d)	80,151	2,222	-	-
Accrued income		4,092	1,512	-	-
Prepayment		4,030	806	57	46
Tax recoverable		4,835	4,092	127	113
Short term investments	12	4	18,563	-	-
Cash and bank balances	13	52,225	52,655	1,412	2,506
		<u>369,143</u>	<u>324,108</u>	<u>114,238</u>	<u>97,855</u>
Total assets		<u>2,107,906</u>	<u>2,018,724</u>	<u>584,071</u>	<u>566,291</u>

STATEMENTS OF FINANCIAL POSITION

	Note	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	14	301,321	213,643	301,321	213,643
Other reserves	15	8,983	78,471	80,946	154,513
Retained earnings	15	761,957	768,121	133,244	150,809
		<u>1,072,261</u>	<u>1,060,235</u>	<u>515,511</u>	<u>518,965</u>
Non-controlling interests		<u>(1,565)</u>	<u>989</u>	<u>-</u>	<u>-</u>
Total equity		<u>1,070,696</u>	<u>1,061,224</u>	<u>515,511</u>	<u>518,965</u>
Non-current liabilities					
Deferred tax liabilities	10	243,699	234,424	-	-
Loans and borrowings	16	342,736	328,968	-	-
Lease liabilities	18	152	779	-	-
Trade and other payables	17	113,169	132,744	8,677	11,477
		<u>699,756</u>	<u>696,915</u>	<u>8,677</u>	<u>11,477</u>
Current liabilities					
Loans and borrowings	16	173,946	159,371	41,900	30,052
Lease liabilities	18	1,362	1,670	-	-
Trade and other payables	17	130,806	79,663	17,983	5,797
Contract liabilities in respect of property development	11(d)	9,084	-	-	-
Provisions	19	21,524	19,148	-	-
Prepayment from tenants		732	733	-	-
		<u>337,454</u>	<u>260,585</u>	<u>59,883</u>	<u>35,849</u>
Total liabilities		<u>1,037,210</u>	<u>957,500</u>	<u>68,560</u>	<u>47,326</u>
Total equity and liabilities		<u>2,107,906</u>	<u>2,018,724</u>	<u>584,071</u>	<u>566,291</u>

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 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Revenue	20	221,738	138,667	4,800	6,090
Cost of sales	21	(150,672)	(84,899)	(1,127)	-
Gross profit		71,066	53,768	3,673	6,090
Other income	22	25,134	17,561	2	16,335
Employee benefits expense	23	(24,092)	(21,138)	(3,295)	(3,132)
Depreciation		(4,768)	(3,455)	(5)	(5)
Net impairment loss on financial instruments		(6,159)	(1,234)	(522)	-
Other expenses		(21,892)	(22,999)	(1,367)	(15,254)
Operating profit/(loss)		39,289	22,503	(1,514)	4,034
Finance costs	25	(25,472)	(26,810)	(3,930)	(2,544)
Share of result of associate		170	-	-	-
Profit/(loss) before tax	26	13,987	(4,307)	(5,444)	1,490
Income tax expense	27	(10,584)	(466)	-	(2)
Profit/(loss) after tax		3,403	(4,773)	(5,444)	1,488
Profit/(loss) attributable to:					
Owners of the parent		5,957	(4,277)	(5,444)	1,488
Non-controlling interests		(2,554)	(496)	-	-
		3,403	(4,773)	(5,444)	1,488
Earnings/(loss) per share attributable to owners of the parent (sen per share)	28	0.4	(0.3)		

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 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the year	3,403	(4,773)	(5,444)	1,488
Other comprehensive income/(loss):				
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Fair value gain on financial assets at fair value through other comprehensive income	6,069	1,700	1,990	558
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	6,069	1,700	1,990	558
Total comprehensive income/(loss) for the year, net of tax	9,472	(3,073)	(3,454)	2,046
Total comprehensive income/(loss) attributable to:				
Owners of the parent	12,026	(2,577)	(3,454)	2,046
Non-controlling interests	(2,554)	(496)	-	-
	9,472	(3,073)	(3,454)	2,046

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 2023

Group	Attributable to owners of the parent -----					Non-controlling interests RM'000 (Note 7)	Total equity RM'000
	Non-distributable -----		Distributable		Total RM'000		
	Share capital RM'000 (Note 14)	Other reserves RM'000 (Note 15)	Revaluation surplus RM'000 (Note 15)	Retained earnings RM'000			
At 31 March 2023							
At 1 April 2022	213,643	78,471	-	768,121	1,060,235	989	1,061,224
Total comprehensive income/ (loss) for the year	-	6,069	-	5,957	12,026	(2,554)	9,472
Expiry of warrants	-	(978)	-	978	-	-	-
Conversion of ICULS	87,678	(74,579)	-	(13,099)	-	-	-
At 31 March 2023	301,321	8,983	-	761,957	1,072,261	(1,565)	1,070,696

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Attributable to owners of the parent -----					
	Share capital RM'000 (Note 14)	Other reserves RM'000 (Note 15)	Revaluation surplus 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 2022						
At 1 April 2021	212,399	77,830	916	774,726	1,065,871	3,259
Total comprehensive income/ (loss) for the year	-	1,700	-	(4,277)	(2,577)	(3,073)
Net effect arising from change of structure of an associate (Note 7)	-	-	-	-	-	510
Changes in ownership interest in a subsidiary	-	-	-	(3,216)	(3,216)	(2,284)
Realisation in revaluation surplus	-	-	(916)	916	-	-
Conversion of ICULS	1,244	(1,059)	-	(28)	157	157
At 31 March 2022	213,643	78,471	-	768,121	1,060,235	989
						1,061,224

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

Company	I-- Non-distributable Share capital RM'000 (Note 14)	--I Distributable Other reserves RM'000 (Note 15)	Retained earnings RM'000	Total equity RM'000
At 31 March 2023				
At 1 April 2022	213,643	154,513	150,809	518,965
Total comprehensive income/ (loss) for the year	-	1,990	(5,444)	(3,454)
Expiry of warrants	-	(978)	978	-
Conversion of ICULS	87,678	(74,579)	(13,099)	-
At 31 March 2023	<u>301,321</u>	<u>80,946</u>	<u>133,244</u>	<u>515,511</u>
At 31 March 2022				
At 1 April 2021	212,399	155,014	149,349	516,762
Total comprehensive income for the year	-	558	1,488	2,046
Conversion of ICULS	1,244	(1,059)	(28)	157
At 31 March 2022	<u>213,643</u>	<u>154,513</u>	<u>150,809</u>	<u>518,965</u>

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 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit/(loss) before tax		13,987	(4,307)	(5,444)	1,490
Adjustments for:					
Amortisation of intangible assets	6	1,079	-	-	-
Depreciation of property, plant and equipment	3	4,768	3,455	5	5
Dividend income	20	-	-	-	(1,900)
Effect of discounting on long term liabilities	22	(1,709)	(53)	-	-
Gain on disposal of :					
- property, plant and equipment	22, 26	(1)	(20)	-	-
- investment in quoted shares	22, 26	-	(600)	-	-
Gain on remeasurement of contingent consideration	22, 26	-	(2,111)	-	(2,111)
Impairment loss on:					
- intangible asset	6	797	57	-	-
- investment in subsidiaries	7	-	-	588	13,918
- trade and other receivables	26	8,199	5,276	522	-
- inventories - land held for property development	26	5,860	-	-	-
Interest expense	25	25,472	26,810	3,930	2,544
Interest income	20, 22	(761)	(685)	(12)	(35)
Net (gain)/loss on changes of fair value of:					
- investment properties	5	(13,340)	11,130	-	-
- financial assets at fair value through profit or loss	22	(95)	54	-	(3)
- loan asset	22	(7,235)	(7,963)	-	-
Reversal of impairment loss on:					
- investment in subsidiaries	7	-	-	-	(14,190)
- trade and other receivables	22	(2,040)	(4,042)	-	-
Reversal of provision for property development obligations	22	-	(2,948)	-	-
Share of result of associate	8	(170)	-	-	-
Waiver of debts owing to creditor	22	(3)	-	-	-

STATEMENTS OF CASH FLOWS

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (cont'd.)					
Adjustments for: (cont'd.)					
Write off of:					
- property, plant and equipment	26	1	3	-	-
- inventories - property development cost	26	224	-	-	-
Operating profit/(loss) before working capital changes		35,033	24,056	(411)	(282)
Changes in working capital:					
Property development cost		(65,245)	(20,370)	-	-
Inventories		1,724	22,350	-	-
Trade and other receivables		(2,697)	21,432	(857)	6,472
Trade and other payables		30,820	(18,289)	27	234
Changes in subsidiaries balances		-	-	(8,433)	(5,378)
Cash (used in)/generated from operations		(365)	29,179	(9,674)	1,046
Interest received		10	9	10	9
Taxes paid		(2,137)	(4,923)	(14)	(17)
Net cash (used in)/generated from operating activities		(2,492)	24,265	(9,678)	1,038
Cash flows from investing activities					
Interest received		722	648	2	26
Dividend received		-	-	-	1,900
Additions of:					
- property, plant and equipment	3	(973)	(726)	-	(10)
- inventories - land held for property development		(10,728)	(11,059)	-	-
- investment properties		(241)	-	-	-
Acquisition of a new subsidiary, net of cash acquired		-	(800)	-	-
Net effect arising from change of structure of an associate		-	177	-	-
Deferred cash consideration settlement on acquisition of subsidiary	7	-	(490)	-	(490)

STATEMENTS OF CASH FLOWS

	Note	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Cash flows from investing activities (cont'd.)					
Net withdrawal/(placement) of short term investments		18,654	(4,701)	-	903
(Increase)/decrease in pledged cash and short term deposits		(8,075)	6,890	(10)	(9)
Proceeds from disposal of:					
- property, plant and equipment		103	37	-	1
- short term investment		-	2,950	-	-
Net cash (used in)/generated from investing activities		<u>(538)</u>	<u>(7,074)</u>	<u>(8)</u>	<u>2,321</u>
Cash flows from financing activities					
Drawdown of loans	16(h)	206,405	64,028	103,900	5,527
Redemption of preference shares		(25,000)	(25,000)	-	-
Repayment of:					
- hire purchase	16(h)	(21)	(61)	-	-
- loans and borrowings	16(h)	(152,876)	(35,489)	(90,000)	(3,000)
- lease liabilities	18	(1,856)	(1,720)	-	-
Interest paid	16(h)	<u>(32,127)</u>	<u>(29,553)</u>	<u>(5,318)</u>	<u>(4,439)</u>
Net cash (used in)/generated from financing activities		<u>(5,475)</u>	<u>(27,795)</u>	<u>8,582</u>	<u>(1,912)</u>
Net (decrease)/increase in cash and cash equivalents		(8,505)	(10,604)	(1,104)	1,447
Cash and cash equivalents at beginning of year		29,852	40,456	1,932	485
Cash and cash equivalents at end of year	13	<u>21,347</u>	<u>29,852</u>	<u>828</u>	<u>1,932</u>

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2023

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 associates 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 26 July 2023.

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 Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of Companies Act 2016 in Malaysia.

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 Effects of adopting new and amended Malaysian Financial Reporting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the changes arising from the adoption of the following amendments to MFRSs that are mandatory for current financial year:

Amendments to MFRS 1, MFRS 9, MFRS 16, and MFRS 141	Annual Improvements to MFRSs Standards 2018 - 2020
Amendments to MFRS 3 Amendments to MFRS 116	Reference of the Conceptual Framework Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

The adoption of the above amendments to MFRSs has no significant impact to the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.3 Standards, interpretations and amendments issued but not yet effective**

The standard and amendments to MFRSs 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 standard and amendments to MFRSs, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 107	Supplier Financial Arrangements

Effective date deferred to a date to be determined by MASB:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group and the Company expect that the adoption of the above standard and amendments to MFRSs will have no significant impact to the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**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.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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 there are changes to one or more of the three elements of control.

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.

2. Significant accounting policies (cont'd.)

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

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

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having 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 OCI and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

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 MFRS 9 either in profit or loss or as a change to OCI.

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 MFRS 9, it is measured in accordance with the appropriate MFRS.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(a) Basis of consolidation (cont'd.)****Business combinations (cont'd.)**

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain 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 combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid, the share capital of the "acquired" entity and the pre-acquisition reserves as at date of common control is reflected within equity as merger reserve.

(b) Subsidiaries

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

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

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

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(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's 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 profit or loss. Impairment losses recognised for goodwill cannot be reversed in future periods.

NOTES TO THE FINANCIAL STATEMENTS

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 ("CGU") 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.

Development rights is initially recognised at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Development rights is amortised progressively over the development period using the percentage of completion method.

(e) Investment in associates

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 OCI 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(e) Investment in associates (cont'd.)**

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

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in 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 OCI are also reclassified proportionately to 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 or the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(f) Property, plant and equipment, and depreciation (cont'd.)**

Except for capital work-in-progress, 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:

Sales gallery	12 years
Motor vehicles	20%
Office furniture and equipment	20%
Plant, tools and machinery	20%
Renovation	20%

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

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

An item of property, plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount) is included in the statements of profit or loss when the asset is derecognised.

(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, including the corresponding tax effect.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(g) Investment properties (cont'd.)**

Subsequent expenditure is included in the carrying amount 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. All other repairs and maintenance costs are recognised in profit or loss during the financial period in which they are incurred.

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 (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their 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.

(h) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs a transfer of goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the contract.

NOTES TO THE FINANCIAL STATEMENTS

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 OCI. In this case, the impairment is also recognised in OCI 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(j) Financial assets****(i) Recognition and initial measurement**

Financial assets are classified, at initial recognition, as well as subsequent measurement at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, transaction costs, in the case of a financial asset not at fair value through profit or loss.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group or the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(j) Financial assets (cont'd.)****(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- (a) Financial assets at amortised cost (debt instruments)
- (b) Financial assets at fair value through OCI (equity instruments)
- (c) Financial assets at fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

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

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

Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has elected to classify irrevocably its equity investments under this category.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(j) Financial assets (cont'd.)****(ii) Subsequent measurement (cont'd.)****Financial assets at fair value through profit or loss**

Assets that do not meet the criteria for amortised costs or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss ("FVTPL"). Fair value changes is recognised in profit or loss and presented net within 'net gains and losses on financial instruments' in the period which it arises.

(iii) Derecognition

A financial asset is derecognised when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
 - i. The Group and the Company have transferred substantially all the risks and rewards of the asset, or
 - ii. The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company would be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(k) Impairment of financial assets**

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost and fair value through OCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(I) Inventories****(i) Land held for property development**

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

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

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

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by MFRS 102.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)

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

(i) Inventories (cont'd.)

(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. The borrowing cost will ceased to be capitalised upon the commencement of the sale of the development units.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the percentage of completion method. The percentage 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 profit or loss over billings to purchasers is classified as contract assets within current assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as contract liabilities within current liabilities.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(l) Inventories (cont'd.)****(iv) Inventories of consumables and general supplies**

Inventories represent general supplies used in the daily operations of mall and car parks. The inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured based on first-in-first-out basis, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

(m) Cash and cash equivalents

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

(n) Financial liabilities**(i) Recognition and initial measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)

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

(n) Financial liabilities (cont'd.)

(ii) Subsequent measurement (cont'd.)

The measurement of financial liabilities depends on their classification, as described below (cont'd.):

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gain or losses on liabilities held for trading are recognised in the statements of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Subsequent to initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(n) Financial liabilities (cont'd.)****(iii) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(o) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(p) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Long term leasehold buildings	2%
Long term leasehold land	1%
Buildings	Lease period

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(p) Leases (cont'd.)****As a lessee (cont'd.)****(ii) Lease liabilities (cont'd.)**

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental financing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest/profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. Low-value assets are those assets valued at less than RM20,000 each when purchased new. The Group recognises the lease payments associated with these leases as an expense over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(p) Leases (cont'd.)****As a lessor**

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.4(w).

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of a qualifying 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 with borrowing of funds.

(r) Income taxes**(i) Current tax**

Current income 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 OCI or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(r) Income taxes (cont'd.)****(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 taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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.)**

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 recovered.

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 OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

(s) Employee benefits**(i) Short term benefits**

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

(ii) Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(t) Foreign currencies****(i) Functional and presentation currency**

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

(ii) Foreign currency transactions

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

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 OCI 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.

NOTES TO THE FINANCIAL STATEMENTS

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 assets and liabilities in the statements 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.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(v) Fair value measurement (cont'd.)**

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

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

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

(w) Revenue and other income**(i) Revenue from property development**

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

(ii) Sale of building materials

Revenue from the sale of building materials are recognised net of discounts at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)

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

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

(iii) Car park operations

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

(iv) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through OCI, 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 statements 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.

(viii) Sale of inventories of completed properties

Revenue from the sale of inventories of completed properties is recognised net of discounts at the point in time when control of the properties is transferred to the customer, generally on delivery of the goods. 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 properties.

(x) Accrued income

Accrued income arises from difference between the rental income which is recognised on a straight-line basis over the entire lease term and the rental income billed to the tenants and accrued interest income.

2. Significant accounting policies (cont'd.)**2.4 Summary of significant accounting policies (cont'd.)****(y) 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.

(z) Segment reporting

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

(aa) Share capital and share issuance expenses

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

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

(ab) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)

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

(ac) 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 accompanying 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 assets or liabilities affected in future periods.

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

The Group has developed certain criteria based on MFRS 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.

NOTES TO THE FINANCIAL STATEMENTS

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) Satisfaction of performance obligations in relation to contracts with customers**

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; or
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.5 Significant accounting judgements and estimates (cont'd.)****(b) Key sources of estimation uncertainty**

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) 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 2023.

(ii) Property development

The Group recognises property development revenue and cost in profit or loss by using the percentage of completion method. The percentage 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 percentage 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. Details of property development costs are disclosed in Note 4(b).

(iii) Investments in subsidiaries

Management determines whether the carrying amount of the Company's investments in subsidiaries are impaired as at reporting date. This involves measuring the recoverable amounts of investments in subsidiaries by using the Value In Use ("VIU") method. Estimating VIU involves estimating the future cash inflows and outflows that will be derived from the CGU and discounting them at an appropriate rate.

Management has performed impairment assessment by comparing the carrying amounts of investments in subsidiaries against their recoverable amounts based on the VIU method. The key assumptions involved in the assessment of the VIU are revenue growth rate, discount rate, amongst others.

The carrying amount of the Company's investments in subsidiaries at the reporting date is disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd.)**2.5 Significant accounting judgements and estimates (cont'd.)****(b) Key sources of estimation uncertainty (cont'd.)****(iv) Provision for expected credit losses ("ECL") of trade and other receivables**

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for grouping of various customers segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical credit loss experience with forward looking information. At every reporting date, historical default rates are updated and changes in the forward looking estimates are analysed.

The loss allowances for other receivables are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the other receivables at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of the forecast economic conditions. The Group's historical credit loss experience and forecast of economic condition may also not be representative of customer's actual default in future. The information about ECL on the Group's trade and other receivables is disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

	At cost				
	Sales gallery RM'000	Motor vehicles, office furniture, equipment, plant, tools, machinery and renovation RM'000	Right-of-use assets RM'000	Capital work- in-progress RM'000	Total RM'000
Group					
At 31 March 2023					
At cost					
At 1 April 2022	-	21,967	7,766	-	29,733
Additions	-	1,459	921	114	2,494
Disposals	-	(132)	-	-	(132)
Transfer from property development cost (Note 4(b))	13,961	-	-	-	13,961
Write off	-	(82)	-	-	(82)
At 31 March 2023	13,961	23,212	8,687	114	45,974
Accumulated depreciation					
At 1 April 2022	-	19,189	3,781	-	22,970
Depreciation charge for the year (Note 26)	1,163	1,733	1,872	-	4,768
Disposals	-	(30)	-	-	(30)
Write off	-	(81)	-	-	(81)
At 31 March 2023	1,163	20,811	5,653	-	27,627
Net carrying amount					
At 31 March 2023	12,798	2,401	3,034	114	18,347

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd.)

	Motor vehicles, office furniture, equipment, plant, tools, machinery and renovation RM'000	Right-of-use assets RM'000	Total RM'000
Group			
At 31 March 2022			
At cost			
At 1 April 2021	21,774	5,563	27,337
Additions	726	2,203	2,929
Disposals	(515)	-	(515)
Write off	(18)	-	(18)
At 31 March 2022	21,967	7,766	29,733
Accumulated depreciation			
At 1 April 2021	18,046	1,982	20,028
Depreciation charge for the year (Note 26)	1,656	1,799	3,455
Disposals	(498)	-	(498)
Write off	(15)	-	(15)
At 31 March 2022	19,189	3,781	22,970
Net carrying amount			
At 31 March 2022	2,778	3,985	6,763

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd.)

Company	Motor vehicles RM'000	Office furniture and equipment RM'000	Total RM'000
At 31 March 2023			
At cost			
At 1 April 2022/31 March 2023	1,086	177	1,263
Accumulated depreciation			
At 1 April 2022	1,086	162	1,248
Depreciation charge for the year (Note 26)	-	5	5
At 31 March 2023	1,086	167	1,253
Net carrying amount			
At 31 March 2023	-	10	10
At 31 March 2022			
At cost			
At 1 April 2021	1,086	172	1,258
Additions	-	10	10
Disposals	-	(5)	(5)
At 31 March 2022	1,086	177	1,263
Accumulated depreciation			
At 1 April 2021	1,086	161	1,247
Depreciation charge for the year (Note 26)	-	5	5
Disposals	-	(4)	(4)
At 31 March 2022	1,086	162	1,248
Net carrying amount			
At 31 March 2022	-	15	15

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd.)**(a) Additions of property, plant and equipment were through the following:**

	Group	
	2023	2022
	RM'000	RM'000
Payment by cash	973	726
Hire purchase	600	2,203
Lease liabilities	921	-
	<u>2,494</u>	<u>2,929</u>

(b) 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	3,688	3,687	1,086	1,086
Office furniture and equipment	6,530	5,168	157	153
Renovation	7,385	5,517	-	-
Plant and machinery	133	133	-	-
	<u>17,736</u>	<u>14,505</u>	<u>1,243</u>	<u>1,239</u>

(c) Assets held under hire purchase arrangements

Leased assets are pledged as security for the related hire purchase liabilities (Note 16(e)). Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Motor vehicles	<u>573</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd.)**(d) Right-of-use assets**

Set out below are the net book value of right-of-use assets of the Group and the movement recognised during the financial year:

	Long term leasehold buildings RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 1 April 2022	1,016	77	2,892	3,985
Additions	-	-	921	921
Depreciation	(40)	(2)	(1,830)	(1,872)
At 31 March 2023	976	75	1,983	3,034
At 1 April 2021	1,056	79	2,446	3,581
Additions	-	-	2,203	2,203
Depreciation	(40)	(2)	(1,757)	(1,799)
At 31 March 2022	1,016	77	2,892	3,985

4. Inventories

	Group	
	2023 RM'000	2022 RM'000
Non-current		
Land held for property development (Note 4(a))	381,354	366,824
Current		
At cost		
- Property development costs (Note 4(b))	170,254	186,980
- Completed properties and others (Note 4(c))	2,699	4,423
	172,953	191,403

NOTES TO THE FINANCIAL STATEMENTS

4. Inventories (cont'd.)

(a) Land held for property development

	Group	
	2023	2022
	RM'000	RM'000
Long term leasehold land		
Cost and carrying amount		
At beginning of year	366,824	347,114
Additions during the year	20,390	18,396
Through acquisition of a subsidiary	-	1,314
Impairment	(5,860)	-
At end of year	<u>381,354</u>	<u>366,824</u>

During the financial year, long term leasehold land of the Group with a carrying value of RM373,277,000 (2022: RM360,964,000) has been charged to a financial institution as securities for term loans and revolving credits granted to the Group as disclosed in Note 16(a) and (d) respectively.

Included in land held for property development addition during the financial year are interest costs capitalised under qualifying assets amounting to RM9,662,000 (2022: RM7,337,000) (Note 25).

(b) Property development costs

	Group	
	2023	2022
	RM'000	RM'000
Cumulative property development costs		
At beginning of year		
Long term leasehold land	116,350	118,047
Development costs	73,872	212,590
	<u>190,222</u>	<u>330,637</u>
Costs incurred during the year:		
Long term leasehold land	1,253	8,767
Development costs	115,595	58,155
	<u>116,848</u>	<u>66,922</u>
Transfers/(Reversal of):		
Completed project	-	(207,337)
To property, plant and equipment (Note 3)	(13,961)	-
To Income statement (write off)	(224)	-
	<u>(14,185)</u>	<u>(207,337)</u>

NOTES TO THE FINANCIAL STATEMENTS

4. Inventories (cont'd.)**(b) Property development costs (cont'd.)**

	Group	
	2023	2022
	RM'000	RM'000
Cumulative costs recognised in profit or loss		
At beginning of year	(3,242)	(166,664)
Recognised during the year (Note 21)	(119,389)	(43,915)
Reversal of completed project	-	207,337
At end of year	<u>(122,631)</u>	<u>(3,242)</u>
At end of year	<u>170,254</u>	<u>186,980</u>

Included in property development costs incurred during the financial year are interest costs capitalised under qualifying assets amounting to RM1,059,000 (2022: RM2,011,000) (Note 25).

Included in property development costs of the Group are leasehold land and development costs amounting to RM123,884,000 (2022: RM145,027,000) which have been charged to financial institutions as securities for the Islamic financing and overdraft facilities as disclosed in Note 16(a), (b) and (c).

(c) Completed properties and others

	Group	
	2023	2022
	RM'000	RM'000
At cost		
Completed properties	2,043	3,792
Consumables and general supplies	656	631
	<u>2,699</u>	<u>4,423</u>

NOTES TO THE FINANCIAL STATEMENTS

4. Inventories (cont'd.)

(c) Completed properties and others (cont'd.)

	Completed properties RM'000	Group Consumables and general supplies RM'000	Total RM'000
At 31 March 2023			
As at 1 April 2022	3,792	631	4,423
Additions	-	428	428
Movements in consumables	-	(403)	(403)
Recognised as cost of sales (Note 21)	(1,749)	-	(1,749)
As at 31 March 2023	<u>2,043</u>	<u>656</u>	<u>2,699</u>
At 31 March 2022			
As at 1 April 2021	26,088	685	26,773
Additions	-	185	185
Movements in consumables	-	(239)	(239)
Recognised as cost of sales (Note 21)	(22,296)	-	(22,296)
As at 31 March 2022	<u>3,792</u>	<u>631</u>	<u>4,423</u>

5. Investment properties

	Freehold lands RM'000	Leasehold lands RM'000	Leasehold lands and buildings RM'000	Total RM'000
Group				
At fair value				
At 31 March 2023				
At 1 April 2022	87,000	81,500	1,107,840	1,276,340
Additions	-	-	241	241
Gain from fair value adjustments recognised in profit or loss (Note 22 and 26)	-	600	12,740	13,340
At 31 March 2023	<u>87,000</u>	<u>82,100</u>	<u>1,120,821</u>	<u>1,289,921</u>

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties (cont'd.)

Group	Freehold lands RM'000	Leasehold lands RM'000	Leasehold lands and buildings RM'000	Total RM'000
At fair value				
At 31 March 2022				
At 1 April 2021	87,000	80,500	1,119,970	1,287,470
Gain/(loss) from fair value adjustments recognised in profit or loss (Note 26)	-	1,000	(12,130)	(11,130)
At 31 March 2022	87,000	81,500	1,107,840	1,276,340

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 and 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	Total RM'000
As at 1 April 2021	169,050	1,118,420	1,287,470
Remeasurement recognised in profit or loss	1,000	(12,130)	(11,130)
As at 31 March 2022/1 April 2022	170,050	1,106,290	1,276,340
Additions from subsequent expenditure	241	-	241
Remeasurement recognised in profit or loss	630	12,710	13,340
As at 31 March 2023	170,921	1,119,000	1,289,921

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties (cont'd.)

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

	2023 RM'000	2022 RM'000
Rental income (Note 20):		
- Land and office properties	1,488	1,467
- Land and retail properties	65,572	48,718
Property management operation costs (Note 21)	(21,773)	(14,499)
Others	(100)	(96)
Car park operations		
- Revenue	9,716	7,381
- Cost of sales	(3,607)	(3,290)
Profit arising from investment properties	<u>51,296</u>	<u>39,681</u>

Included in investment properties is certain long term leasehold land of the Group amounting to approximately RM51,600,000 (2022: RM51,600,000) which has been leased to a third party under an operating lease agreement, as disclosed in Note 30.

Certain freehold and long term leasehold land and buildings of the Group with carrying value of RM1,052,700,000 (2022: RM1,041,000,000) have been charged to financial institutions as securities for credit facilities granted to the Group, as disclosed in Note 16(a), (b), (c) and (d).

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.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

Property	Valuation technique	Significant unobservable inputs	Range	
			2023	2022
Land and office unit	Comparison method	Adjustment factors to prices of comparable properties	-30% to 25%	-30% to 25%
Land and retail properties	Investment method	Base rent per square feet per month	RM0.41 to RM22.50	RM0.38 to RM22.50
		Void rate	5.00% to 10.00%	5.00% to 10.00%
		Term yield rate	4.30% to 6.00%	4.25% to 6.00%
		Reversionary yield rate	4.45% to 7.00%	4.45% to 7.00%

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties (cont'd.)

The Group carries its 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 and there are no material events that affect the valuation between the valuation date and financial year end.

The fair value of the investment properties derived by the independent professional valuers is most sensitive to the estimated yield rate. The range of the yield rate used in the valuation is described above.

The following table demonstrate the sensitivity of the fair value measurement to changes in estimated yield rate, void rate and base rent:

	Fair value Increase/(decrease)	
	2023	2022
	RM'000	RM'000
Yield rate		
+ 0.15%	(28,722)	(26,820)
- 0.15%	31,089	28,880
	<hr/>	<hr/>
Void rate		
+ 0.15%	(2,024)	(3,800)
- 0.15%	2,217	1,871
	<hr/>	<hr/>

The other key assumptions used to determine the fair value of the investment properties are disclosed above.

Significant changes to the unobservable inputs would result in significant changes in fair value.

NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties (cont'd.)**Investment method**

Using the discounted cash flows method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Comparison method

Fair value is arrived at by reference to market evidence of transaction prices for similar properties, adjustments are made to account for factors 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.

NOTES TO THE FINANCIAL STATEMENTS

6. Intangible asset

Group	Goodwill RM'000	Property Development Rights RM'000	Total RM'000
Cost			
At 1 April 2022	11,476	37,219	48,695
Goodwill on acquisition of a subsidiary	4	-	4
	<u>11,480</u>	<u>37,219</u>	<u>48,699</u>
Accumulated amortisation			
At 1 April 2022	-	-	-
Amortisation charge for the year (Note 26)	-	(1,079)	(1,079)
At 31 March 2023	<u>-</u>	<u>(1,079)</u>	<u>(1,079)</u>
Accumulated impairment			
At 1 April 2022	(10,666)	-	(10,666)
Impairment loss recognised in profit or loss (Note 26)	(797)	-	(797)
At 31 March 2023	<u>(11,463)</u>	<u>-</u>	<u>(11,463)</u>
Net carrying amount			
At 31 March 2023	<u>17</u>	<u>36,140</u>	<u>36,157</u>
Cost			
At 1 April 2021	10,666	37,219	47,885
Goodwill on acquisition of subsidiaries	810	-	810
	<u>11,476</u>	<u>37,219</u>	<u>48,695</u>
Accumulated impairment			
At 1 April 2021	(10,609)	-	(10,609)
Impairment loss recognised in profit or loss (Note 26)	(57)	-	(57)
At 31 March 2022	<u>(10,666)</u>	<u>-</u>	<u>(10,666)</u>
Net carrying amount			
At 31 March 2022	<u>810</u>	<u>37,219</u>	<u>38,029</u>

Goodwill and Property Development Rights arising from business combinations have been allocated to the Group's CGU identified from the property development segment.

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries

	Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost	625,106	618,116
Increase in investment in a subsidiary	-	6,990
	<u>625,106</u>	<u>625,106</u>
Accumulated impairment losses	<u>(159,441)</u>	<u>(158,853)</u>
	<u>465,665</u>	<u>466,253</u>

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		Principal activities
		2023 %	2022 %	
Held by the Company				
Asian Pac Capital Sdn. Bhd.	50,000	100	100	Licensed money lending activity
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
Primadana Utama Sdn. Bhd.	2,500	100	100	Investment holding, property investment and development
Prousaha (M) Sdn. Bhd.	5,000	100	100	Property investment and development
Syarikat Kapasi Sdn. Bhd.	184,568	100	100	Property investment and development and renting out retail properties

NOTES TO THE FINANCIAL STATEMENTS

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		Principal activities
		2023 %	2022 %	
Held by the Company (cont'd.)				
Pristine Property Management Sdn. Bhd.	1,000	100	100	Property management
Quality Trend Sdn. Bhd.	244	100	100	Property investment and development (dormant)
Asian Pac Property Management Sdn. Bhd.	500	100	100	Property management
Multizone Parking Sdn. Bhd.	12,007	100	100	Car park management and operation
Harmoni Bumiria Sdn. Bhd.	250	100	100	Property investment and development
Everest Pioneer Sdn. Bhd.	5,000	90	90	Property development
Ambience Acres Sdn. Bhd.	-*	100	100	Property development and investment
Cahaya Riang Sdn. Bhd.	-*	100	100	Property development
Asian Pac Construction Sdn. Bhd.	750	100	100	Construction
Asian Pac Builders Sdn. Bhd. (formerly known as Asian Pac Crec Sdn. Bhd.) #	1,000	100	100	Construction
Nova Fajar Development Sdn. Bhd. #^	1,000	49	49	Property development

NOTES TO THE FINANCIAL STATEMENTS

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		Principal activities
		2023 %	2022 %	
Held by the Company (cont'd.)				
Kota Platinum Sdn. Bhd. #	~*	100	-	Property investment and development
Held through subsidiaries				
BH Realty Sdn. Bhd.	3,100	100	100	Property investment and development
Wangsa Masyhur Sdn. Bhd.	30,000	100	100	Property investment and development (dormant)
Taman Bestari Sdn. Bhd.	750	100	100	Property development
Asian Gateways Constructions Sdn. Bhd. #	1,000	100	100	Construction

Audited by firms of auditors other than UHY.

^ The Company controls the composition of the Board of Directors of the company and has the power to govern the relevant activities of the company in which, no parties within the Shareholder's Agreement shall vote against or fail or refuse to vote in favour of the Company.

* Issued and paid up capital of RM1.

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (cont'd.)

(a) Impairment losses on investments in subsidiaries

The Company performed impairment reviews in respect of the investment subsidiaries by comparing the carrying amount of the investments to their recoverable amounts. An impairment loss is recognised immediately in profit or loss if the recoverable amount is less than the carrying amount. A reversal of impairment loss is recognised immediately in profit or loss if the recoverable amount is higher than the carrying amount.

Reversal of impairment

Based on management's assessment, for certain subsidiaries that were previously impaired, the recoverable amount is higher than the cost of investment. Accordingly, reversal of impairment loss of Nil (2022: RM14,190,000) were recognised to profit or loss during the year. For certain subsidiaries, based on its value in use, the following were the key assumptions used in the value in use calculation.

- Revenue - revenue is estimated based on existing customers contracts.
- Discount rates - the discount rate used is 10%. Discount rates reflect management's estimate of the risks specific to these entities. In determining appropriate discount rates for each unit, consideration has been given to the applicable weighted average cost of capital for each unit.
- Terminal growth - Cash flow beyond the five-year period is extrapolated using the expected cash flow in fifth year into perpetuity.

Impairment

Based on management's assessment, for certain subsidiaries, the recoverable amount is lower than the cost of investment. Accordingly, an impairment loss of RM588,000 (2022: RM13,918,000) was recognised to profit or loss during the year.

(b) Acquisition of 100% Equity Interest in Kota Platinum Sdn. Bhd. ("KPSB")

On 10 May 2022, the Company had acquired 100% of one ordinary share in Kota Platinum Sdn. Bhd., representing 100% equity interest, for a cash consideration of RM1.

(c) Acquisition of 100% Equity Interest in Asian Gateways Construction Sdn. Bhd. ("AGCSB")

On 30 September 2021, Asian Pac Construction Sdn. Bhd., a wholly-owned subsidiary of APHB had entered into a Share Sale Agreement with Ho Seng Kung and Ho Cheng Hoe to acquire the entire interest in AGCSB at a total cash consideration of RM800,000 with the intended purpose to carry out construction works.

In the previous financial year, the Company has recognised goodwill of RM796,500 in relation to the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (cont'd.)**(d) Acquisition of the remaining 10% Equity Interest in Harmoni Burmiria Sdn. Bhd. ("HBSB")**

On 13 January 2022, the Company acquired the balance 25,000 ordinary shares of RM1 each representing 10% NCI in HBSB for a total consideration of RM5,500,000. Pursuant thereto, HBSB become a wholly-owned subsidiary of the Company.

(e) Change of status of Nova Fajar Development Sdn. Bhd. ("NVSB") from associate to subsidiary

In previous financial year, the Company gains control of Nova Fajar Development Sdn. Bhd. although the Group holds only 49% equity interest as the Group controls the composition of the Board of Directors of NVSB and has the power to govern the relevant activities of the company.

(f) Incorporation of 100% Equity Interest in Asian Pac CREC Sdn. Bhd. ("APCREC")

On 11 June 2021, the Company incorporated APCREC, a wholly-owned subsidiary of the Company with the principal activity of construction.

On 11 April 2023, APCREC changed its name from Asian Pac CREC Sdn. Bhd. to Asian Pac Builders Sdn. Bhd.

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

Summarised financial information of Everest Pioneer Sdn. Bhd. and Nova Fajar Development Sdn. Bhd. which have non-controlling interests ("NCI") is set out below. The summarised financial information presented below is the amount before inter-company elimination.

	Everest Pioneer Sdn. Bhd. RM'000	Nova Fajar Development Sdn. Bhd. RM'000
At 31 March 2023		
NCI percentage of ownership interest and voting interest	10.00%	51.00%
Carrying amount of NCI	917	(2,482)
(Profit)/loss attributable to NCI	<u>(436)</u>	<u>2,990</u>
At 31 March 2022		
NCI percentage of ownership interest and voting interest	10.00%	51.00%
Carrying amount of NCI	481	508
Loss attributable to NCI	<u>232</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (cont'd.)**(g) Summarised financial information on subsidiaries with non-controlling interests (cont'd.)**

Summarised financial information of Everest Pioneer Sdn. Bhd. and Nova Fajar Development Sdn. Bhd. which have non-controlling interests ("NCI") is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd.)

	Everest Pioneer Sdn. Bhd. RM'000	Nova Fajar Development Sdn. Bhd. RM'000
(i) Summarised statement of financial position		
At 31 March 2023		
Non current assets	203	-
Current assets	70,924	5,718
Current liabilities	(49,000)	(10,600)
Non-current liabilities	(14,733)	-
Net assets/(liabilities)	<u>7,394</u>	<u>(4,882)</u>
Equity attributable to owners of the parent	6,477	(2,400)
Non-controlling interests	<u>917</u>	<u>(2,482)</u>
	<u>7,394</u>	<u>(4,882)</u>
At 31 March 2022		
Non current assets	346	5,860
Current assets	37,056	5,722
Current liabilities	(21,596)	(10,600)
Non-current liabilities	(12,698)	-
Net assets	<u>3,108</u>	<u>982</u>
Equity attributable to owners of the parent	2,627	474
Non-controlling interests	<u>481</u>	<u>508</u>
	<u>3,108</u>	<u>982</u>

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (cont'd.)**(g) Summarised financial information on subsidiaries with non-controlling interests (cont'd.)**

Summarised financial information of Everest Pioneer Sdn. Bhd. and Nova Fajar Development Sdn. Bhd. which have non-controlling interests ("NCI") is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd.)

	Everest Pioneer Sdn. Bhd. RM'000	Nova Fajar Development Sdn. Bhd. RM'000
(ii) Summarised statement of profit or loss		
At 31 March 2023		
(Profit)/loss for the year	(4,286)	5,864
(Profit)/loss attributable to owners of the parent	(3,850)	2,874
(Profit)/loss attributable to non-controlling interest	(436)	2,990
At 31 March 2022		
Loss for the year	2,323	4
Loss attributable to owners of the parent	2,091	2
Loss attributable to non-controlling interest	232	2

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (cont'd.)

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

Summarised financial information of Everest Pioneer Sdn. Bhd. and Nova Fajar Development Sdn. Bhd. which have non-controlling interests ("NCI") is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd.)

	Everest Pioneer Sdn. Bhd. RM'000	Nova Fajar Development Sdn. Bhd. RM'000
(iii) Summarised statement of cash flows		
At 31 March 2023		
Net cash generated from/(used in) operating activities, representing net increase/(decrease) in cash and cash equivalents	11,199	(4)
Cash and cash equivalents at 1 April 2022	235	9
Cash and cash equivalents at 31 March 2023	11,434	5
At 31 March 2022		
Net cash generated from/(used in) operating activities, representing net increase/(decrease) in cash and cash equivalents	164	9
Cash and cash equivalents at 1 April 2021	71	-
Cash and cash equivalents at 31 March 2022	235	9

NOTES TO THE FINANCIAL STATEMENTS

8. Investment in associates

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unquoted shares in Malaysia	375	865	375	865
Transfer to investment in subsidiaries	-	(490)	-	(490)
Share of result	170	-	-	-
Less: Accumulated impairment losses	(375)	(375)	(375)	(375)
	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group has not recognised losses relating to associate where its share of losses exceeds the Group's interest in this associate. The Group has no obligation in respect of these losses.

Details of the associates, which are incorporated in Indonesia and Malaysia are as follows:

Name of associate	Paid-up share capital RM'000	Direct shareholdings/ effective equity interest		Principal activities
		2023	2022	
		%	%	
PT AP International	750	50	50	Property development and property management
Pristine RE Property Management Sdn. Bhd.	-*	49	-	Property management

* Issued and paid up capital of RM200.

On 15 May 2022, Pristine Property Management Sdn. Bhd., a wholly-owned subsidiary company of the Company acquired 49% equity interest representing 98 ordinary shares in Pristine RE Property Management Sdn. Bhd. for a cash consideration of RM98.

9. Non-current financial asset

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Fair value through OCI</i>				
Non-current				
Quoted shares in Malaysia	<u>12,625</u>	<u>6,556</u>	<u>4,140</u>	<u>2,150</u>

The gain on fair valuation on non-current quoted financial asset investments amounting to RM6,069,000 (2022: RM1,700,000) and RM1,990,000 (2022: RM558,000) of the Group and of the Company, respectively were taken to OCI.

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of year	(234,320)	(234,833)	18	18
Recognised in profit or loss (Note 27)	(9,190)	513	-	-
At end of year	<u>(243,510)</u>	<u>(234,320)</u>	<u>18</u>	<u>18</u>
Presented after appropriate offsetting as follows:				
- Deferred tax assets	189	104	18	18
- Deferred tax liabilities	(243,699)	(234,424)	-	-
	<u>(243,510)</u>	<u>(234,320)</u>	<u>18</u>	<u>18</u>

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

Group	Revaluation of investment properties and others RM'000	Provisions, capital allowance and unused tax losses RM'000	Total RM'000
Deferred tax (liabilities)/ assets:			
At 1 April 2022	(237,906)	3,586	(234,320)
Recognised in profit or loss	(9,664)	474	(9,190)
At 31 March 2023	<u>(247,570)</u>	<u>4,060</u>	<u>(243,510)</u>
At 1 April 2021	(239,640)	4,807	(234,833)
Recognised in profit or loss	1,734	(1,221)	513
At 31 March 2022	<u>(237,906)</u>	<u>3,586</u>	<u>(234,320)</u>

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax (cont'd.)

Company	Provisions	
	2023 RM'000	2022 RM'000
Deferred tax assets:		
At beginning/end of year	18	18

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unused tax losses	40,729	38,808	8,205	7,603
Unabsorbed capital allowances	65,767	83,356	4	-
Other temporary differences	21,997	22,035	-	-
	<u>128,493</u>	<u>144,199</u>	<u>8,209</u>	<u>7,603</u>
Deferred tax at Malaysian statutory tax rate, if recognised	<u>30,838</u>	<u>34,608</u>	<u>1,970</u>	<u>1,825</u>

Pursuant to new law gazetted, the ability to carry forward unutilised reinvestment allowance is restricted to a maximum period of seven consecutive Year of Assessment ("YA"), effective YA 2019.

The unused tax losses and unabsorbed capital allowances balances of the Group are available for offsetting against future taxable profits of the respective companies within the Group, subject to no substantial change in the shareholdings of those companies under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group.

For any unutilised tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of ten consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

The unused tax losses for which deferred tax asset are not recognised are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Year of assessment:				
- 2028	8,586	17,529	6,925	6,925
- 2029	873	4,547	357	357
- 2030	2,860	2,860	321	321
- 2031	4,350	4,956	-	-
- 2032	6,643	8,916	-	-
- 2033	17,417	-	602	-
	<u>40,729</u>	<u>38,808</u>	<u>8,205</u>	<u>7,603</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
(a) Trade receivables	27,208	9,006	875	-
Less: Allowance for expected credit losses	(1,916)	(3,258)	-	-
	<u>25,292</u>	<u>5,748</u>	<u>875</u>	<u>-</u>
(b) Other receivables:				
Due from previous stockbroking clients	4,733	4,733	-	-
Sundry receivables	18,909	19,560	4,623	4,623
Earnest deposit	14,363	15,363	413	413
Other deposits	4,628	11,759	6	35
Due from associate (Note 11(c))	1,004	1,004	1,004	1,004
Due from subsidiaries (Note 11(c))	-	-	112,200	95,072
Loan assets	-	5,263	-	-
	<u>43,637</u>	<u>57,682</u>	<u>118,246</u>	<u>101,147</u>
Less: Allowance for expected credit losses	(18,076)	(10,575)	(6,479)	(5,957)
	<u>25,561</u>	<u>47,107</u>	<u>111,767</u>	<u>95,190</u>
Total trade and other receivables	50,853	52,855	112,642	95,190
Add: Pledged deposits with licensed banks and financial institutions with maturity of more than 3 months or restricted for use (Note 13)	12,204	11,209	-	-
Add: Cash at banks and short term deposits pledged to licensed banks and financial institutions (Note 13)	18,674	11,594	584	574
Add: Cash and cash equivalents (Note 13)	21,347	29,852	828	1,932
Total financial assets at amortised costs	103,078	105,510	114,054	97,696

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other receivables (cont'd.)**(a) Trade receivables**

The Group's and the Company's normal trade credit terms range from 7 to 60 days (2022: 7 to 60 days) and 60 days (2022: 60 days) respectively. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposure 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		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	7,220	516	-	-
1 to 30 days past due not impaired	6,615	2,439	162	-
31 to 60 days past due not impaired	3,119	1,154	50	-
61 to 90 days past due not impaired	3,022	816	433	-
More than 91 days past due not impaired	5,316	823	230	-
	18,072	5,232	875	-
Impaired trade receivables	1,916	3,258	-	-
Total trade receivables	27,208	9,006	875	-

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 and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other receivables (cont'd.)**(a) Trade receivables (cont'd.)****Ageing analysis of trade receivables (cont'd.)**Receivables that are past due but not impaired

The receivables that are past due but not impaired are mainly:

- a) Amount due from tenants that are secured by cash deposits or bank guarantees.
- b) Progress billings to be settled by the end-purchasers/financiers.

However, the Directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as security deposits and the legal title to the properties sold remain with the Group until the purchase consideration is fully settled.

Movements in allowance accounts

	Group	
	2023	2022
	RM'000	RM'000
At beginning of year	(3,258)	(2,011)
Impairment loss (Note 26)	(673)	(5,267)
Reversal of impairment loss (Note 26)	2,015	4,020
At end of year	<u>(1,916)</u>	<u>(3,258)</u>

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that have significant financial difficulties and have defaulted on payments. These receivables are partly secured by cash deposits.

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other receivables (cont'd.)**(b) Other receivables**

At the reporting date, the Group has provided an allowance of RM4,720,000 (2022: RM4,717,000) for impairment on the amount due from previous stockbroking clients and RM13,356,000 (2022: RM5,858,000) for impairment on sundry receivables, earnest deposits, other deposits and amount due from associate. The Company has provided an allowance of RM1,004,000 (2022: RM1,004,000) for impairment on amount due from associate, RM5,036,000 (2022: 4,514,000) for impairment on sundry receivables and earnest deposits and RM439,000 (2022: RM439,000) for impairment on the amount due from a subsidiary.

Other receivables that are impaired

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

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

Movements in allowance accounts

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables:				
At beginning of year	(10,575)	(10,588)	(5,957)	(5,957)
Impairment loss (Note 26)	(7,526)	(9)	(522)	-
Reversal of impairment loss (Note 26)	25	22	-	-
At end of year	<u>(18,076)</u>	<u>(10,575)</u>	<u>(6,479)</u>	<u>(5,957)</u>

(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 in full as disclosed in Note 11(b).

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other receivables (cont'd.)

(d) Contract assets/(liabilities) in respect of property development

	Group	
	2023 RM'000	2022 RM'000
Property development	80,151	2,222
Property development	(9,084)	-

12. Short term investments

	Group	
	2023 RM'000	2022 RM'000
<i>Fair value through profit or loss</i>		
Current		
Investments in unit trust fund	4	18,563

13. Cash and bank balances

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at banks and on hand	33,156	31,556	828	1,932
Short term deposits with:				
Licensed banks	18,485	20,525	-	-
Financial institutions	584	574	584	574
Total cash and bank balances	52,225	52,655	1,412	2,506
Less: Pledged deposits with				
licensed banks with				
maturity of more than				
3 months or restricted				
for use (Note 11)	(12,204)	(11,209)	-	-
Less: Cash at banks and short				
term deposits pledged to				
licensed banks and				
financial institutions				
(Note 11)	(18,674)	(11,594)	(584)	(574)
Cash and cash equivalents	21,347	29,852	828	1,932
(Note 11)				

NOTES TO THE FINANCIAL STATEMENTS

13. Cash and bank balances (cont'd.)

Included in cash at banks of the Group are amounts of RM5,902,000 (2022: RM2,784,000) 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 RM13,188,000 (2022: RM8,119,000) pledged to financial institutions for credit facilities granted to a number of subsidiaries as disclosed in Note 16(a), (b), (c) and (d).

Short term deposits with licensed banks and financial institutions of the Group and of the Company amounting to RM17,690,000 (2022: RM16,121,000) and RM584,000 (2022: RM574,000) respectively are pledged to licensed banks and financial institutions for credit facilities granted to the Company and subsidiary companies as disclosed in Note 16(a), (b), (c) and (d) 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

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Licensed banks	2.32	1.63	-	-
Financial institutions	2.18	1.55	2.18	1.55

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

	Group		Company	
	2023	2022	2023	2022
	Days	Days	Days	Days
Licensed banks	266	124	-	-
Financial institutions	31	31	31	31

NOTES TO THE FINANCIAL STATEMENTS

14. Share capital

	Note	Number of ordinary shares		Amount	
Group and Company:		2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid:					
At beginning of year		1,050,458	1,044,237	213,643	212,399
Conversion of ICULS	(a)	438,389	6,221	87,678	1,244
At end of year		1,488,847	1,050,458	301,321	213,643

- (i) In current financial year, the Company increased its issued and paid-up share capital from RM213,642,730 comprising 1,050,457,610 ordinary shares to RM301,320,591 comprising 1,488,846,915 ordinary shares as a result of conversion of 87,677,861 RM1 nominal value 5 year 3% ICULS into 438,389,305 new ordinary shares on the basis of one RM1 nominal value of ICULS for five new ordinary shares of the Company.
- (ii) In previous financial year, the Company increased its issued and paid-up share capital from RM212,398,630 comprising 1,044,237,110 ordinary shares to RM213,642,730 comprising 1,050,457,610 ordinary shares as a result of conversion of 1,244,100 RM1 nominal value 5 year 3% ICULS into 6,220,500 new ordinary shares on the basis of one RM1 nominal value of ICULS for five new ordinary shares of the Company.

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) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

On 26 May 2017, a total of 99,256,461 RM1.00 nominal value 5-year 3% ICULS have been issued and allotted to the shareholders on the basis of one ICULS for every ten ordinary shares of the Company, together with 198,512,922 free new detachable warrants to be issued on the basis of two warrants for each ICULS subscribed.

The salient features of the ICULS issued are as follows:

- (i) The coupon rate for the ICULS is 3% per annum, payable on an annual basis in arrears.
- (ii) The conversion price for the ICULS is fixed at RM1.00 where one ICULS will be converted into five new ordinary shares of the Company and the new ordinary shares to be issued rank pari passu with the then existing shares.
- (iii) Each registered holder of the ICULS shall have the right at any time from the issuance date to not later than the maturity date of 25 May 2022 to convert such nominal value of ICULS held into fully-paid up new ordinary shares of the Company.
- (iv) Any ICULS not converted by the maturity date on 25 May 2022 will be mandatorily converted into new ordinary shares of the Company on the maturity date.

At the reporting date, the total number of ICULS that remain outstanding were Nil (2022: 87.68 million).

NOTES TO THE FINANCIAL STATEMENTS

14. Share capital**(a) Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (cont'd.)**

The residual value, after deducting the fair value of liability component of ICULS and warrants, is attributed to the equity component as follows:

	Equity component of ICULS RM'000 (Note 15)	Warrants reserve RM'000 (Note 15)	Liability component of ICULS RM'000 (Note 16)	Total RM'000
At 1 April 2022	74,579	978	2,525	78,082
Interest expense on ICULS (Note 25)	-	-	105	105
Coupon payment	-	-	(2,630)	(2,630)
Expiry of warrants	-	(978)	-	(978)
Conversion of ICULS	(74,579)	-	-	(74,579)
At 31 March 2023	-	-	-	-

	Equity component of ICULS RM'000 (Note 15)	Warrants reserve RM'000 (Note 15)	Liability component of ICULS RM'000 (Note 16)	Total RM'000
At 1 April 2021	75,638	978	5,111	81,727
Interest expense on ICULS (Note 25)	-	-	225	225
Coupon payment	-	-	(2,654)	(2,654)
Conversion of ICULS	(1,059)	-	(157)	(1,216)
At 31 March 2022	74,579	978	2,525	78,082

NOTES TO THE FINANCIAL STATEMENTS

14. Share capital (cont'd.)**(a) Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (cont'd.)**

Pursuant to the Malaysian Code on Take-Overs and Mergers 2016 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 (Director of the Company at the date of issuance) and his spouse, Ms. Chin Lai Kuen had submitted an application to Securities Commission Malaysia ("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 ("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 and Paragraph 4.08(1)(C) of the Rules issued on 15 August 2016.

On the date of maturity, a total of 87.61 million of ICULS had been converted into 438.03 million new ordinary shares of APHB at the conversion price of RM0.20 for every one (1) new ordinary share and as at the end of the financial year, there is no ICULS outstanding.

- (ii) The number and percentage of voting shares or voting rights of Mr. Mah Sau Cheong and Ms. Chin Lai Kuen in Asian Pac upon the mandatory conversion of the ICULS and the expiry and last date for the exercise of Warrants on 25 May 2022 are as below:

Name	Number of ordinary shares held 000	% of issued capital %
Mah Sau Cheong	476,071	31.98%
Chin Lai Kuen	5,260	0.35%
Total	481,331	32.33%

NOTES TO THE FINANCIAL STATEMENTS

15. Other Reserves And Retained Earnings**Other reserves**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Merger reserve	(a)	-	-	78,000	78,000
Fair value adjustment reserve	(b)	8,983	2,914	2,946	956
Equity component of ICULS	14(a)	-	74,579	-	74,579
Warrants reserve	(c)	-	978	-	978
		<u>8,983</u>	<u>78,471</u>	<u>80,946</u>	<u>154,513</u>

Movements in reserves are shown in the respective statements of changes in equity.

The nature and purpose of each category of reserve are as follows:

(a) Merger reserve

The premium on shares issued in respect of the acquisition of BH Builders Sdn. Bhd. in the financial year ended 31 March 1996 had been credited to the merger reserve.

(b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial assets at fair value through OCI investments until they are disposed off or impaired.

(c) Warrants reserve

On 26 May 2017, the Company issued 198,512,922 free detachable warrants in conjunction with rights issue of ICULS on the basis of two free detachable warrants for each ICULS subscribed as disclosed in Note 14(a).

The amount represents the fair value of the detachable warrants and net of the share of transaction cost arising from the right issue of ICULS.

At the reporting date, the total number of warrants that remained unexercised were Nil (2022: 198,512,922).

Retained earnings

The entire retained earnings of the Company are available for distribution as single-tier dividends.

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Secured:					
Floating rate term loan	(a)	10,438	949	-	-
Islamic financing	(b)	47,274	43,246	-	-
Overdraft	(c)	21,181	11,125	-	-
Revolving credit	(d)	94,944	76,553	41,900	27,527
Obligation under hire purchase	(e)	109	21	-	-
ICULS	(f)	-	2,525	-	2,525
Preference shares	(g)	-	24,952	-	-
		<u>173,946</u>	<u>159,371</u>	<u>41,900</u>	<u>30,052</u>
Non-current					
Secured:					
Floating rate bridging and term loans	(a)	83,682	34,433	-	-
Islamic financing	(b)	258,563	294,535	-	-
Obligation under hire purchase	(e)	491	-	-	-
		<u>342,736</u>	<u>328,968</u>	<u>-</u>	<u>-</u>
Total loans and borrowings		516,682	488,339	41,900	30,052

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
On demand and within 1 year	173,946	159,371	41,900	30,052
More than 1 year and less than 2 years	101,983	76,987	-	-
More than 2 years and less than 5 years	196,874	167,657	-	-
More than 5 years	43,879	84,324	-	-
	<u>516,682</u>	<u>488,339</u>	<u>41,900</u>	<u>30,052</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (cont'd.)**(a) Floating rate bridging and term loans**

The floating rate bridging and term loans are obtained for development projects of the Company's wholly-owned subsidiary company, BH Builders Sdn. Bhd. and for financing the acquisition of investment properties by wholly-owned subsidiary, AGB Properties Sdn. Bhd. These bridging and term loans bear an average interest rate of 4.70 to 5.15% (2022: 4.10% to 4.21%) per annum. These are secured by charges over the Group's land held for property development as well as development costs as disclosed in Note 4(a) and 4(b), investment properties as disclosed in Note 5, certain bank balances as disclosed in Note 13 and corporate guarantee provided by the Company amounting to RM94,119,000 (2022: RM35,381,000).

(b) Islamic financing

Islamic financing was obtained for refinancing of the investment properties of wholly-owned subsidiary, Syarikat Kapasi Sdn. Bhd., for financing the acquisition of investment properties by wholly-owned subsidiary, BH Builders Sdn. Bhd., working capital of a wholly-owned subsidiary, BH Realty Sdn. Bhd. and for the development projects of Everest Pioneer Sdn. Bhd. and Taman Bestari Sdn. Bhd. It bears an average interest rate of 4.33% to 6.75% (2022: 3.75% to 5.56%) per annum. It is secured by charges over the Group's leasehold property as well as development costs as disclosed in Note 4(b), leasehold properties as disclosed in Note 5, certain short term deposits and bank balances as disclosed in Note 13, lease proceeds from an operating lease as disclosed in Note 30 and corporate guarantee provided by the Company amounting to RM312,323,000 (2022: RM349,674,000).

(c) Overdraft

Overdraft is obtained for working capital of the Company's wholly-owned subsidiaries, Syarikat Kapasi Sdn. Bhd. and BH Realty Sdn Bhd. The overdraft bears an average interest rate of 6.73% to 7.16% (2022: 6.06% to 6.45%) per annum. It is secured by the subsidiaries' investment properties as disclosed in Note 5 as well as short term deposits and bank balances as disclosed in Note 13.

(d) Revolving credit

Revolving credits are obtained for the working capital of the Company and the Company's wholly-owned subsidiaries, Syarikat Kapasi Sdn. Bhd. and Primadana Utama Sdn. Bhd. These revolving credits bear an average interest rate of 4.75% to 7.69% (2022: 4.01% to 7.41%) per annum. They are secured by charges over the Group's leasehold land as disclosed in Note 4(a), certain completed properties as disclosed in Note 4(c), investment properties as disclosed in Note 5, certain short term deposits and bank balances as disclosed in Note 13 and corporate guarantee provided by the Company amounting to RM49,000,000 (2022: RM49,000,000).

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (cont'd.)**(e) Obligation under hire purchase**

	Group	
	2023	2022
	RM'000	RM'000
Future minimum lease payments:		
Within and up to 1 year	134	21
After 1 and up to 2 years	134	-
After 2 and up to 5 years	403	-
	<u>671</u>	<u>21</u>
Less: Future finance charges	(71)	-
Present value of future minimum lease payments	<u>600</u>	<u>21</u>
Present value of lease liabilities:		
Within and up to 1 year	109	21
After 1 and up to 2 years	114	-
After 2 and up to 5 years	377	-
Present value of lease liabilities	<u>600</u>	<u>21</u>
Analysed as:		
Due within 12 months	109	21
Due after 12 months	491	-
	<u>600</u>	<u>21</u>

The hire purchase payable bear interest of 2.37% (2022 : 2.30%) per annum.

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

(f) ICULS

The amount represents the liability portion of ICULS net of transaction cost as disclosed in Note 14(a).

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (cont'd.)**(g) Preference shares**

On 28 May 2019, AGB Properties Sdn. Bhd. ("AGB") entered into Subscription Agreement with Areca Strategic Income Fund for the issuance of 25,000,000 redeemable preference shares ("RPS-A") valued at RM1.00 together with 7,125,000 free detachable zero-rated redeemable preference shares ("ZRPS-A") for a period of three (3) years and 25,000,000 redeemable preference shares ("RPS-B") valued at RM1.00 each together with 4,750,000 free detachable zero-rated redeemable preference shares ("ZRPS-B") for a period of two (2) years by AGB to finance the acquisition of loan assets from Prokhas Asset Management Sdn. Bhd. by AGB for the purpose of facilitating BH Builders Sdn. Bhd., the related company of AGB to acquire 5 parcels of leasehold lands which were pledged as a security under Kuala Lumpur Industries Holdings Berhad, the holding company of the vendor, that is under liquidation.

On 9 June 2021, AGB has fully redeemed all the 25,000,000 RPS-B at a redemption price of RM1.00 per RPS-B together with 4,750,000 free detachable ZRPS-B.

During the financial year, AGB has fully redeemed all the 25,000,000 RPS-A at a redemption price of RM1.00 per RPS-A together with 7,125,000 free detachable ZRPS-A upon its maturity on 9 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (cont'd.)

(h) Changes in liabilities and ICULS arising from financing activities

Group	1 April 2022	Movements						31 March 2023				
		Cash flows		Non-cash Changes								
		Principal movement	Interest paid	New lease	Interest cost	Others	RM'000					
									RM'000	RM'000	RM'000	RM'000
Loans and borrowings	460,841	53,529	(28,941)	-	31,028	(375)	516,082					
Hire purchase	21	(21)	-	600	-	-	600					
ICULS	2,525	-	(2,630)	-	105	-	-					
Preference shares	24,952	(25,000)	(449)	-	497	-	-					
	488,339	28,508	(32,020)	600	31,630	(375)	516,682					

Group	1 April 2021	Movements						31 March 2022
		Cash flows		Non-cash Changes				
		Principal movement	Interest paid	New lease	Interest cost	Others	RM'000	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Loans and borrowings	431,066	28,539	(23,896)	-	25,329	(197)	460,841	
Hire purchase	82	(61)	(3)	-	3	-	21	
ICULS	5,111	-	(2,654)	-	225	(157)	2,525	
Preference shares	49,652	(25,000)	(2,824)	-	3,124	-	24,952	
	485,911	3,478	(29,377)	-	28,681	(354)	488,339	

The 'Others' column represents conversion of ICULS and the effect of accrued interest on interest bearing loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (cont'd.)

(h) Changes in liabilities and ICULS arising from financing activities (cont'd.)

Company	1 April 2022 RM'000	Movements						31 March 2023 RM'000
		Cash flows		Non-cash Changes				
		Principal movement	Interest paid	New lease	Interest cost	RM'000	Others RM'000	
Loans and borrowings ICULS	27,527	13,900	(2,688)	-	3,311	(150)	41,900	
	2,525	-	(2,630)	-	105	-	-	
	30,052	13,900	(5,318)	-	3,416	(150)	41,900	

Company	1 April 2021 RM'000	Movements						31 March 2022 RM'000
		Cash flows		Non-cash Changes				
		Principal movement	Interest paid	New lease	Interest cost	RM'000	RM'000	
Loans and borrowings	25,000	2,527	(1,785)	-	1,858	(73)	27,527	
ICULS	5,111	-	(2,654)	-	225	(157)	2,525	
	30,111	2,527	(4,439)	-	2,083	(230)	30,052	

The 'Others' column represents conversion of ICULS and the effect of accrued interest on interest bearing loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

17. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	32,283	10,658	46	-
Trade accruals	26,886	23,083	-	-
	<u>59,169</u>	<u>33,741</u>	<u>46</u>	<u>-</u>
Other payables				
Deposits from property purchasers	5,692	-	-	-
Deposits from tenants	6,520	16,212	-	-
Interest payables	1,993	1,618	556	406
Accruals	16,519	3,953	857	876
Purchase consideration payable for the project land acquisition	30,000	15,000	-	-
Purchase consideration payable for the acquisition of a subsidiary	6,828	3,514	6,828	3,514
Service tax payable	209	387	-	-
Due to subsidiaries	-	-	9,696	1,001
Others	3,876	5,238	-	-
	<u>71,637</u>	<u>45,922</u>	<u>17,937</u>	<u>5,797</u>
	<u>130,806</u>	<u>79,663</u>	<u>17,983</u>	<u>5,797</u>
Non-current				
Trade payables				
Retention sum payable	5,367	2,287	-	-
Other payables				
Deposits from tenants	14,317	7,996	-	-
Purchase consideration payable for the project land acquisition	84,808	110,984	-	-
Purchase consideration payable for the acquisition of a subsidiary	8,677	11,477	8,677	11,477
	<u>107,802</u>	<u>130,457</u>	<u>8,677</u>	<u>11,477</u>
	<u>113,169</u>	<u>132,744</u>	<u>8,677</u>	<u>11,477</u>
Total trade and other payables	243,975	212,407	26,660	17,274
Less: Service tax payable	(209)	(387)	-	-
Add: Loans and borrowings (Note 16)	516,682	488,339	41,900	30,052
Add: Lease liabilities (Note 18)	1,514	2,449	-	-
Total financial liabilities carried at amortised cost	<u>761,962</u>	<u>702,808</u>	<u>68,560</u>	<u>47,326</u>

Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group and the Company ranges from 30 to 60 days (2022: 30 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

18. Lease liabilities

	Group	
	2023	2022
	RM'000	RM'000
At beginning of year	2,449	1,966
Additions	921	2,203
Accretion of interest	107	176
Payment of interest	(107)	(176)
Payment of principal	(1,856)	(1,720)
At end of year	<u>1,514</u>	<u>2,449</u>
Due within 12 months	1,362	1,670
Due after 12 months	152	779
	<u>1,514</u>	<u>2,449</u>

The lease liabilities bear interest between 5.47% to 6.70% (2022 : 4.01% to 6.70%)

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of twelve months or less) or for leases of low value assets. Payments made under such leases are expensed on straight line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

18. Lease liabilities (cont'd.)

The expenses relating to payments not included in the measurement of the lease liabilities during the financial year are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Expenses relating to short-term leases (included in other expenses) (Note 26)	47	48
Expenses relating to leases of low-value assets (included in other expenses) (Note 26)	123	96

As at the reporting date, the Group was committed to short-term leases of RM146,000 (2022: RM222,000).

19. Provisions

	Group	
	Provision for property development obligations	
	2023	2022
	RM'000	RM'000
At beginning of year	19,148	20,599
Reduction	-	(2,948)
Additions	2,376	1,497
At end of year	21,524	19,148

NOTES TO THE FINANCIAL STATEMENTS

20. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contract with customers	154,668	88,473	4,790	4,181
Revenue from other sources:				
Interest income	10	9	10	9
Rental income (Note 5)	67,060	50,185	-	-
Dividend income from subsidiaries	-	-	-	1,900
	221,738	138,667	4,800	6,090

Disaggregation of the revenue from contract with customers:

Type of goods and services

Property development revenue	140,292	3,233	-	-
Sale of project	-	42,000	-	-
Sale of building materials	1,204	-	1,190	-
Sale of inventories of completed properties	2,958	35,381	-	-
Car park operations	9,716	7,381	-	-
Property management income	498	478	-	-
Management fees from subsidiaries	-	-	3,600	4,181
	154,668	88,473	4,790	4,181

NOTES TO THE FINANCIAL STATEMENTS

20. Revenue (cont'd.)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Geographical market				
Malaysia	154,668	88,473	4,790	4,181
	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Timing of revenue recognition				
- at a point in time	14,376	85,240	4,790	4,181
- over time	140,292	3,233	-	-
	154,668	88,473	4,790	4,181

21. Cost of sales

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Property development costs				
(Note 4(b))	119,389	4,238	-	-
Cost of project	-	39,677	-	-
Cost of building materials	1,126	-	1,127	-
Car park operations	3,607	3,290	-	-
Cost of inventories sold				
(Note 4(c))	1,749	22,296	-	-
Property management				
operation costs (Note 5)	21,773	14,499	-	-
Others	3,028	899	-	-
	150,672	84,899	1,127	-

NOTES TO THE FINANCIAL STATEMENTS

22. Other income

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Administration charges	208	150	-	-
Effect of discounting on long term liabilities	1,709	53	-	-
Gain on disposal of:				
- property, plant and equipment	1	20	-	-
- investment in quoted shares	-	600	-	-
Gain on remeasurement of contingent consideration	-	2,111	-	2,111
Net gain on changes of fair value of:				
- investment properties (Note 5)	13,340	1,870	-	-
- financial assets at fair value through profit or loss	95	-	-	3
- loan asset	7,235	7,963	-	-
Other interest income	751	676	2	26
Overdue interest income	60	180	-	-
Purchasers' deposit forfeited	-	147	-	-
Reversal of impairment loss on investment in subsidiaries (Note 7(a))	-	-	-	14,190
Reversal of provision for property development obligations	-	2,948	-	-
Waiver of debts owing to creditors	3	-	-	-
Miscellaneous income	1,732	843	-	5
	25,134	17,561	2	16,335

NOTES TO THE FINANCIAL STATEMENTS

23. Employee benefits expense

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	18,695	17,034	2,549	2,496
Contributions to defined contribution plan	2,442	2,165	399	399
Social security contributions	175	138	7	7
Other employee benefits	2,780	1,801	340	230
	<u>24,092</u>	<u>21,138</u>	<u>3,295</u>	<u>3,132</u>

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM2,627,000 (2022: RM2,224,000) and RM1,773,000 (2022: RM1,683,000) respectively as further disclosed in Note 24.

24. Directors' remuneration

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration (Note 23):				
Salaries and other emoluments	2,627	2,224	1,773	1,683
Non-executive Directors' remuneration (Note 26):				
Fees and other emoluments	393	435	244	284
Total Directors' remuneration	<u>3,020</u>	<u>2,659</u>	<u>2,017</u>	<u>1,967</u>

NOTES TO THE FINANCIAL STATEMENTS

24. Directors' remuneration (cont'd.)

The details of the remuneration received/receivable by Directors of the Group and the Company during the year are as follows:

	Salary and other emoluments RM'000	Fees RM'000	Total RM'000
At 31 March 2023			
Executive			
Dato' Mustapha bin Buang	1,773	-	1,773
Dr. Yu Tat Loong*	854	-	854
	<u>2,627</u>	<u>-</u>	<u>2,627</u>
At 31 March 2023			
Non-executive			
Tan Sri Dato' Seri (Dr) Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas*	5	144	149
Datuk Mohamed Salleh Bin Bajuri	5	108	113
Sherman Lam Yuen Suen	5	55	60
Soon Dee Hwee	1	16	17
Chai Yee Choong	4	50	54
	<u>20</u>	<u>373</u>	<u>393</u>
	<u>2,647</u>	<u>373</u>	<u>3,020</u>

* The above Director's remuneration was paid by subsidiary companies.

	Salary and other emoluments RM'000	Fees RM'000	Total RM'000
At 31 March 2022			
Executive			
Dato' Mustapha bin Buang	1,683	-	1,683
Dr. Yu Tat Loong*	541	-	541
	<u>2,224</u>	<u>-</u>	<u>2,224</u>

NOTES TO THE FINANCIAL STATEMENTS

24. Directors' remuneration (cont'd.)

The details of the remuneration received/receivable by Directors of the Group and the Company during the year are as follows (cont'd.):

	Salary and other emoluments RM'000	Fees RM'000	Total RM'000
At 31 March 2022			
Non-executive			
Tan Sri Dato' Seri (Dr) Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas*	7	144	151
Datuk Mohamed Salleh Bin Bajuri	7	108	115
Tan Siew Poh	5	30	35
Soon Dee Hwee	7	60	67
Sherman Lam Yuen Suen	7	60	67
	<u>33</u>	<u>402</u>	<u>435</u>
	<u>2,257</u>	<u>402</u>	<u>2,659</u>

* The above Director's remuneration was paid by subsidiary companies.

The number of Directors of the Group and the Company whose total remuneration during the financial year fall within the following bands are analysed below:

	2023	2022
Executive Directors:		
RM 350,001 - RM 550,000	-	1
RM 550,001 - RM 750,000	-	-
RM 750,001 - RM 1,550,000	1	-
RM 1,550,001 - RM 1,750,000	-	1
RM1,750,001 - RM1,950,000	1	-
Non-executive Directors:		
Below RM50,000	1	1
RM50,001 - RM100,000	2	2
RM100,001 - RM150,000	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

25. Finance costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Hire purchase	-	3	-	-
Preference shares	497	3,124	-	-
Bank borrowings	31,028	25,329	3,311	1,858
Lease liabilities	107	176	-	-
ICULS (Note 14 (a))	105	225	105	225
Unwinding of discount	4,456	7,301	514	461
	<u>36,193</u>	<u>36,158</u>	<u>3,930</u>	<u>2,544</u>
Less:				
Interest expense capitalised under:				
Land held for development in respect of qualifying assets (Note 4(a))	(9,662)	(7,337)	-	-
Property development costs in respect of qualifying assets (Note 4(b))	(1,059)	(2,011)	-	-
	<u>25,472</u>	<u>26,810</u>	<u>3,930</u>	<u>2,544</u>

26. Profit/(loss) before tax

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- statutory audit	267	366	52	75
- other services	5	7	-	7
- under provision in prior year	111	100	5	22
Amortisation of intangible asset (Note 6)	1,079	-	-	-
Depreciation of property, plant and equipment (Note 3)	4,768	3,455	5	5
Effect of discounting on long term liabilities	(1,709)	(53)	-	-
Employee benefits expense (Note 23)	24,092	21,138	3,295	3,132
Non-executive Directors' remuneration (Note 24)	393	435	244	284
Expenses relating to short-term leases (Note 18)	47	48	-	-
Expenses relating to leases of low-value assets (Note 18)	123	96	-	-

NOTES TO THE FINANCIAL STATEMENTS

26. Profit/(loss) before tax (cont'd.)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of:				
- property, plant & equipment	(1)	(20)	-	-
- investment in quoted shares	-	(600)	-	-
Gain on remeasurement of contingent consideration	-	(2,111)	-	(2,111)
Impairment loss on:				
- intangible asset (Note 6)	797	57	-	-
- investment in subsidiaries (Note 7)	-	-	588	13,918
- trade and other receivables (Note 11(a),(b))	8,199	5,276	522	-
- inventories - land held for property development	5,860	-	-	-
Net (gain)/loss on changes of fair value of:				
- investment properties	(13,340)	11,130	-	-
- financial assets at fair value through profit or loss	(95)	54	-	(3)
- loan asset	(7,235)	(7,963)	-	-
Reversal of impairment loss on:				
- investment in subsidiaries (Note 7(a))	-	-	-	(14,190)
- trade and other receivables (Note 11(a),(b))	(2,040)	(4,042)	-	-
Reversal of provision for property development obligations	-	(2,948)	-	-
Share of result of associate	(170)	-	-	-
Waiver of debts owing to creditors	(3)	-	-	-
Write off of:				
- property, plant and equipment	1	3	-	-
- inventories - property development cost	224	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

27. Income tax expense

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Statement of profit or loss				
Income tax:				
Current year tax expense	1,325	903	2	2
Under/(over) provision of tax in prior year	69	76	(2)	-
	<u>1,394</u>	<u>979</u>	<u>-</u>	<u>2</u>
Deferred tax (Note 10):				
Relating to origination and reversal of temporary differences	10,327	(641)	-	-
(Over)/under provision in prior years	(1,137)	128	-	-
	<u>9,190</u>	<u>(513)</u>	<u>-</u>	<u>-</u>
Total income tax expense	<u>10,584</u>	<u>466</u>	<u>-</u>	<u>2</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

27. Income tax expense

The reconciliation between tax expense/(credit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended are as follows:

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before tax	13,987	(4,307)	(5,444)	1,490
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	3,357	(1,034)	(1,307)	358
Income not subject to tax	(5,838)	(5,819)	(1)	(4,377)
Expenses not deductible for tax purposes	17,903	6,589	1,165	4,124
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(8,159)	-	-	(103)
Deferred tax recognised at different rate	-	-	-	-
Deferred tax assets not recognised in respect of current year's unutilised tax losses, unabsorbed capital allowance and other temporary differences	4,389	526	145	-
Under/(over) provision of income tax expense in prior years	69	76	(2)	-
(Over)/under provision of deferred tax in prior years	(1,137)	128	-	-
Tax expense for the year	10,584	466	-	2

NOTES TO THE FINANCIAL STATEMENTS

28. Earnings/(loss) per share**(a) Basic**

Basic earnings/(loss) per share ("EPS" or "LPS") amounts are calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, before and after mandatory conversion of ICULS, held by the Company.

	Group 2023	2022
Profit/(loss) for the year attributable to ordinary equity holders of the Company (RM'000)	5,957	(4,277)
Weighted average number of ordinary shares in issue ('000)	1,488,847	1,049,662
Assumed full conversion of ICULS ('000)	-	438,389
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,488,847</u>	<u>1,488,051</u>
Basic EPS/(LPS) attributable to ordinary equity holders of the Company		
- Before mandatory conversion of ICULS (sen)	0.4	(0.4)
- After mandatory conversion of ICULS (sen)	<u>0.4</u>	<u>(0.3)</u>

(b) Diluted

Diluted earnings/(loss) per share ("EPS" or "LPS") amounts are calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year having been adjusted for the dilutive effects of all potential ordinary shares.

In current financial year, the Group has no dilutive potential ordinary shares.

In previous financial year, diluted loss per share is equal to the basic loss per share as warrants has a dilutive effect only when the average market price of ordinary share during the financial year exceeds the exercise price of the warrants and the effects of the conversion of mandatorily convertible instrument have already been included in the calculation of basic loss per share.

29. Dividends

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

NOTES TO THE FINANCIAL STATEMENTS

30. Lease commitments**(a) Operating lease commitments****(i) 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 30 years commencing within one 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 years commencing from the Commencement Date; and
 - (iii) Thereafter, at the end of every period of three years each, the first of which shall commence from the Commencement Date, the rental shall be increased at the rate of 7% of the rental of the preceding three 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 years each, the first such three 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.

NOTES TO THE FINANCIAL STATEMENTS

30. Lease commitments (cont'd.)**(a) Operating lease commitments (cont'd.)****(i) 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. These leases have remaining lease terms of between one to three years with renewal option included in the contracts.

Future minimum rentals receivable under non-cancellable operating leases that are between one to three years at the reporting date are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Not later than 1 year	56,536	46,020
Later than 1 year but not later than 3 years	49,825	48,305
	<u>106,361</u>	<u>94,325</u>

31. Contingent liabilities

Upon adoption of MFRS 9, the financial guarantees provided to financiers for related companies are no longer disclosed as contingent liabilities but would instead be recorded as financial liabilities if considered likely to crystallise. The Group has assessed the financial guarantee contracts and concluded that the crystallisation of these guarantees is remote.

32. Significant events**(a) Acquisition of Kota Platinum Sdn. Bhd. ("KBSB")**

On 10 May 2022, APHB acquired one ordinary share representing 100% equity interest in KBSB with the principal activity of property investment and development.

(b) Acquisition of 49% Equity Interest in Pristine RE Property Management Sdn. Bhd. ("PRESB")

On 15 May 2022, Pristine Property Management Sdn. Bhd., a wholly-owned subsidiary company of APHB acquired 49% equity interest representing 98 ordinary shares in PRESB for a cash consideration of RM98.

NOTES TO THE FINANCIAL STATEMENTS

33. 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	
	2023	2022
	RM'000	RM'000
Lease paid/payable to a company with common substantial shareholder	605	672
Car park management revenue from a group of companies with common substantial shareholder	1,251	1,345
Lease paid/payable to a Director of a subsidiary company	235	228
	<hr/>	<hr/>
	Company	
	2023	2022
	RM'000	RM'000
Gross dividend income from subsidiaries	-	1,900
Management fees charged to subsidiaries	3,600	4,181
	<hr/>	<hr/>

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 Group.

(b) Compensation by key management personnel

The Company defines key management personnel as its Directors whose remunerations are detailed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

34. Fair value of financial instruments

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	11
Loans and borrowings (current)	16
Trade and other payables	17

Determination of fair value

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 loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of 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.

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.

Corporate 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.

NOTES TO THE FINANCIAL STATEMENTS

34. Fair value of financial instruments (cont'd.)Corporate guarantees (cont'd.)

The fair value of all unexpired financial guarantees issued by the Company were deemed to be zero 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.

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 in valuation of significant assets, such as investment properties.

Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compare 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.

NOTES TO THE FINANCIAL STATEMENTS

34. Fair value of financial instruments (cont'd.)**Fair value hierarchy (cont'd.)**

As at 31 March 2023 and 31 March 2022, the Group and the Company held the following assets carried at fair value in the statements of financial position:

	2023 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Assets measured at fair value				
Non-current asset:				
Quoted shares in Malaysia	12,625	12,625	-	-
Investment properties	1,289,921	-	-	1,289,921
Current asset:				
Short term investments	4	4	-	-

Company**Assets measured at fair value**

Non-current asset:				
Quoted shares in Malaysia	4,140	4,140	-	-

	2022 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Assets measured at fair value				
Non-current asset:				
Quoted shares in Malaysia	6,556	6,556	-	-
Investment properties	1,276,340	-	-	1,276,340
Current asset:				
Short term investments	18,563	18,563	-	-

NOTES TO THE FINANCIAL STATEMENTS

34. Fair value of financial instruments (cont'd.)**Fair value hierarchy (cont'd.)**

	2022 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Company				
Assets measured at fair value				
Non-current asset:				
Quoted shares in Malaysia	2,150	2,150	-	-

During the financial years ended 31 March 2023 and 31 March 2022, there was no known transfer between Level 1, Level 2 and Level 3 fair value measurement.

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the 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.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd.)**(a) Credit risk (cont'd.)**Exposure to credit risk

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 amounted to RM168,000 (2022: RMNil) provided by the Company to Lembaga Perumahan dan Hartanah Selangor ("LPHS") in respect of deferment of commencement of construction of Affordable Housing.
- Corporate guarantee amounted to RM623,442,000 (2022: RM434,055,000) 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 11.

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:

	2023		2022	
	RM'000	% of total	RM'000	% of total
Group				
By business segments:				
Property development	22,956	91%	853	15%
Mall operations	855	3%	4,146	72%
Car park operations	275	1%	383	7%
Trading of building materials	888	4%	-	0%
Others	318	1%	366	6%
	<u>25,292</u>	<u>100%</u>	<u>5,748</u>	<u>100%</u>

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's 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.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd.)**(b) Liquidity risk (cont'd.)**

At the reporting date, approximately 34% (2022: 33%) of the Group's loans and borrowings as disclosed in Note 16 will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	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
2023				
Group				
Financial liabilities:				
Trade and other payables (excluding service tax payable)	130,597	113,169	-	243,766
Loans and borrowings	198,444	344,507	46,850	589,801
Lease liabilities	1,403	155	-	1,558
Corporate guarantee *	168,000	-	-	168,000
Total undiscounted financial liabilities	498,444	457,831	46,850	1,003,125
Company				
Financial liabilities:				
Trade and other payables, excluding financial guarantees	17,983	8,677	-	26,660
Loans and borrowings	42,677	-	-	42,677
Corporate guarantee ^	623,442	-	-	623,442
Total undiscounted financial liabilities	684,102	8,677	-	692,779

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd.)**(b) Liquidity risk (cont'd.)****Analysis of financial instruments by remaining contractual maturities (cont'd.)**

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 (cont'd.).

	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
2022				
Group				
Financial liabilities:				
Trade and other payables (excluding service tax payable)	79,276	132,744	-	212,020
Loans and borrowings	181,020	303,516	95,649	580,185
Lease liabilities	1,709	851	-	2,560
ICULS	2,525	-	-	2,525
Preference shares	25,000	-	-	25,000
Total undiscounted financial liabilities	289,530	437,111	95,649	822,290
Company				
Financial liabilities:				
Trade and other payables, excluding financial guarantees	5,797	11,477	-	17,274
Loans and borrowings	28,000	-	-	28,000
ICULS	2,525	-	-	2,525
Corporate guarantee ^	434,055	-	-	434,055
Total undiscounted financial liabilities	470,377	11,477	-	481,854

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd.)**(b) Liquidity risk (cont'd.)**

- * The Group provides corporate guarantee to Lembaga Perumahan dan Hartanah Selangor ("LPHS") in respect of deferment of commencement of construction of Affordable Housing.
- ^ The Company provides corporate guarantee to Lembaga Perumahan dan Hartanah Selangor ("LPHS") in respect of deferment of commencement of construction of Affordable Housing and unsecured corporate guarantee to licensed banks in respect of credit facilities granted to a number of subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At the end of the reporting period, there was no indication that the subsidiaries would default on the construction and repayment.

(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 their floating rate loans and borrowings.

Sensitivity analysis for interest rate risk

The interest rate profile of the Group's significant interest bearing financial instruments, based on carrying amounts (excluded transaction cost) as at the end of reporting period are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments				
Financial liabilities	522,568	469,043	41,900	28,000

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/(loss) net of tax arising as a result of lower/higher interest expense on floating rate loans and borrowings would have following effects:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) net of tax	397	356	32	21

(d) 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's exposure to foreign currency risk is minimal.

NOTES TO THE FINANCIAL STATEMENTS

36. Capital management

The primary objective of the Group's and the Company'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 and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions or expansion plans of the Group and the Company. No changes were made in the objectives, policies or processes during the years ended 31 March 2023 and 31 March 2022.

The Group's and the Company'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 and the Company. The Group and the Company include within the net debt, loans and borrowings, lease liabilities, trade and other payables, short term deposits and cash and cash equivalents. Capital refers to equity attributable to owners.

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Loans and borrowings	16	516,682	488,339	41,900	30,052
Trade and other payables	17	243,975	212,407	26,660	17,274
Lease liabilities	18	1,514	2,449	-	-
Less: Cash and bank balances	13	(52,225)	(52,655)	(1,412)	(2,506)
Net debt		<u>709,946</u>	<u>650,540</u>	<u>67,148</u>	<u>44,820</u>
Equity attributable to the owners of the parent, representing total capital		<u>1,072,261</u>	<u>1,060,235</u>	<u>515,511</u>	<u>518,965</u>
Capital and net debt		<u>1,782,207</u>	<u>1,710,775</u>	<u>582,659</u>	<u>563,785</u>
Gearing ratio		<u>39.8%</u>	<u>38.0%</u>	<u>11.5%</u>	<u>7.9%</u>

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has 5 reportable operating segments as follows:

- (a) Investment holding - holding of quoted and unquoted shares for capital investment purposes;
- (b) Property development - development of residential and commercial properties;
- (c) Land and office properties - rental and capital appreciation;
- (d) Car park operations - operation of car park; and
- (e) 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.

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd.)

	Investment holding and others		Property development		Land and office properties		Property investment				Adjustments and eliminations		Note	Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue:															
External customers	1,712	485	143,250	80,614	1,488	1,506	9,716	7,381	65,572	48,679	-	-		221,738	138,665
Inter-segment	12,259	22,025	-	-	-	-	-	122	21,547	19,158	(33,806)	(41,305)	A	-	-
Total revenue	13,971	22,510	143,250	80,614	1,488	1,506	9,716	7,503	87,119	67,837	(33,806)	(41,305)		221,738	138,665
Results:															
Interest income	12	34	10,221	8,659	156	58	36	36	68	47	(9,732)	(8,149)		761	685
Depreciation	257	235	3,341	2,058	11	11	187	180	972	971	-	-		4,768	3,455
Other non-cash expenses/fair value adjustments	514	472	3,942	6,785	-	-	-	-	1	44	1,079	-	B	5,536	7,301
Impairment of assets	4,062	27,377	12,871	(503)	(11,630)	-	(1,710)	(870)	659	17,770	(2,736)	(27,311)	C	1,516	16,463
Segment profit/(loss)	800	(8,539)	(34,869)	(9,090)	2,564	2,008	4,698	2,940	46,704	4,006	(5,910)	4,368		13,987	(4,307)
Assets and liabilities:															
Additions to non-current assets	135	369	15,096	227	-	-	39	9	270	121	(6)	-		15,534	726
Segment assets	98,630	40,954	599,037	555,466	184,656	186,286	122,511	121,843	1,017,348	1,024,033	85,724	90,142	D	2,107,906	2,018,724
Segment liabilities	102,132	342,325	266,719	(68,404)	18,340	18,200	12,348	10,826	580,380	592,575	57,291	61,978	E	1,037,210	957,500

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd.)**Notes Nature of expenses, 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 consists of the following items presented in the respective notes to the financial statements:

	Note	2023 RM'000	2022 RM'000
Unwinding interest	25	4,456	7,301
Property, plant and equipment written off	26	1	-
Amortisation of intangible assest	26	1,079	-
		<u>5,536</u>	<u>7,301</u>

C Impairment of assets consists of:

	Note	2023 RM'000	2022 RM'000
Impairment on intangible asset	6	797	57
Fair value adjustments in value of investment properties	5	(13,340)	11,130
Impairment in trade and other receivables	26	8,199	5,276
Impairment in land held for property development	4	5,860	-
		<u>1,516</u>	<u>16,463</u>

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

	2023 RM'000	2022 RM'000
Land held for property development	51,637	51,637
Intangible asset	36,157	38,976
Property development costs	2,627	2,628
Investment properties	(4,456)	(2,598)
Inventories - completed properties	(235)	(501)
Property, plant and equipment	(6)	-
	<u>85,724</u>	<u>90,142</u>

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd.)

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

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

	2023	2022
	RM'000	RM'000
Deferred tax liabilities	66,117	66,118
Lease creditors	-	(4,140)
Tax payable	(8,826)	-
	<u>57,291</u>	<u>61,978</u>

Geographical segments

No geographical segment is prepared as the Group operates only in Malaysia.

38. Capital commitments

There was no capital commitment for the financial year ended 31 March 2023.

LIST OF PROPERTIES HELD

AS AT 31 MARCH 2023

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	Retail Property & Car Park Operations	Leasehold expires: 31/12/2076	8	803,601 sf & 315,403 sf	1,066,400	31/03/2023
H.S. (D) 54784 - 54788, PT 12813 - 12817, Mukim Petaling, Daerah Petaling, Selangor	Land	Land held for development	Leasehold expires: 02/08/2090	NA	74 acres	437,078	31/03/2023
HSD 28646, Lot No. PT 4021, Mukim of Semenyih, District of Ulu Langat, Selangor	Land	Investment Property	Freehold	NA	91.37 acres	87,000	31/03/2023
H.S. (D) 157186, PT 23762, Mukim Labu, Daerah Seremban, Negeri Sembilan	Land	Vacant	Leasehold expires: 9/11/2102	N/A	404.76 acres	52,300	09/12/2020
PN 39178, Lot 63579 Mukim of Batu, Wilayah Persekutuan	Land	For Lease	Leasehold expires: 10/01/2087	N/A	5.71 acres	51,600	31/03/2023
Title No. TL 17540500 Kota Kinabalu, Sabah	Ground and basement carpark	Carpark operations	Leasehold Expires: 31/12/2080	15	142,000 sf	36,700	31/03/2023
Town Lease 017514617 Likas, District of Kota Kinabalu, Sabah	Land	Property under development	Leasehold expires: 22/12/2063	NA	1.85 acre	45,129	30/08/2018
Country Lease No. 025314096 District of Papar, Sabah	Land	Property under development	Leasehold expires: 28/06/2924	N/A	16.57 acres	22,227	10/09/2015
PT 298, HS (D) 39196 Mukim Bandar Kundang, Gombak, Selangor	Land	Vacant	Leasehold expires: 24/1/2101	N/A	50.01 acres	30,500	31/03/2023
H.S. (D) 314681 - 314692, PT 12800 - 12811, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor	Land	Property under development	Leasehold expires: 9/12/2114	N/A	1.44 acres	43,659	01/08/2019
Country Lease No. CL015343496, District of Kota Kinabalu located at Luyang, Kota Kinabalu, Sabah	Land	Land held for development	Leasehold expires: 31/12/2912	N/A	0.991 acres	8,077	6/27/2022

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

Issued and paid-up capital : RM301,320,591.00
 Class of Shares : Ordinary shares
 Voting Rights : One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS BASED ON RECORD OF DEPOSITORS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	223	1.647	4,395	0.000
100 – 1,000	2,943	21.743	2,724,477	0.182
1,001 – 10,000	6,575	48.577	31,014,331	2.083
10,001 – 100,000	2,960	21.869	111,436,002	7.484
100,001 – 74,442,344 (Less than 5% of issued shares)	833	6.154	969,596,986	65.124
74,442,345 (5%) and above	1	0.007	374,070,724	25.124
Total	13,535	100.000	1,488,846,915	100.000

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Mah Sau Cheong	254,070,724	17.064
2.	Mah Sau Cheong	120,000,000	8.059
3.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	67,000,000	4.500
4.	South Malaysia Industries Berhad	49,416,000	3.319
5.	Puncak Darul Naim Sdn Bhd	46,629,664	3.131
6.	Amsec Nominees (Tempatan) Sdn Bhd Ambank (M) Berhad for Tan Boon Seng	45,458,500	3.053
7.	Bandar Sri Tujuh Sdn Bhd	33,409,500	2.243
8.	Dato' Mustapha Bin Buang	29,729,485	1.996
9.	Seraya Kota Sdn Bhd	20,926,900	1.405
10.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	18,000,000	1.208
11.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	17,000,000	1.141
12.	Leow Hong Yen	16,000,000	1.074
13.	Teluk Nirwana Sdn Bhd	15,103,100	1.014
14.	Peh Lai Yian	14,306,200	0.960
15.	Chin Khee Kong & Sons Sendirian Berhad	13,011,800	0.873
16.	Chang Fai Ann	12,827,800	0.861
17.	Mah Wee Hian @ Mah Siew Kung	11,330,200	0.761
18.	RHB Nominees (Tempatan) Sdn Bhd OSK Trustees Berhad for The Divine Vision Trust	9,932,350	0.667

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS (CONT'D)

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
19.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Douglas Cheng Heng Lee	9,930,000	0.666
20.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Kuan Fong	9,563,900	0.642
21.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Boon Seng	8,821,400	0.592
22.	Choo Lye Hock	8,562,900	0.575
23.	Chin Kian Fong	8,453,200	0.567
24.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	8,280,950	0.556
25.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	7,630,850	0.512
26.	Ong Wan Chin	6,400,000	0.429
27.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	6,193,282	0.415
28.	Che Norsiah Binti Mohd Shariff	5,989,200	0.402
29.	Taman Bunga Merlimau Sdn Bhd	5,782,000	0.388
30.	Puncak Darul Naim Sdn Bhd	5,633,575	0.378
		885,393,480	59.468

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholder	Direct interest		Indirect interest	
	No. of Shares	%	No. of Shares	%
Mah Sau Cheong	476,070,724	31.98	*5,260,000	0.35

DIRECTORS' SHAREHOLDINGS IN ASIAN PAC HOLDINGS BERHAD BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct interest		Indirect interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	294,800	0.02	—	—
Dato' Mustapha Bin Buang	34,419,235	2.31	*805,000	0.05
Datuk Mohamed Salleh Bin Bajuri	750,000	0.05	—	—
Dr Yu Tat Loong	—	—	—	—
Mr Chai Yee Choong	—	—	—	—
Datuk Yunus Bin Abd Ghani	—	—	—	—
Puan Rahana Binti Abdul Rashid	—	—	—	—

Note:

* Deemed interest by virtue of his spouse.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 105th Annual General Meeting (**“AGM”**) of Asian Pac Holdings Berhad (**“the Company”**) will be held fully virtual on the date, time and venue stated below for the following purposes:

Day and Date	: Wednesday, 13 September 2023
Time	: 11.00 a.m.
Broadcast Venue	: 12 th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur
Online Meeting Platform	: https://www.binamanagement.com.my provided by Bina Management (M) Sdn Bhd in Malaysia (Domain registration number D1A401787) (“BINA Portal”)

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 March 2023 and the Reports of the Directors and Auditors. *[Please refer to Explanatory Note 1]*
- To re-elect Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas who retires by rotation pursuant to Clause 23.4 of the Company's Constitution and being eligible, has offered himself for re-election. *(Ordinary Resolution 1)*
- To re-elect Dr Yu Tat Loong who retires by rotation pursuant to Clause 23.4 of the Company's Constitution and being eligible, has offered himself for re-election. *(Ordinary Resolution 2)*
- To re-elect Datuk Yunos Bin Abd Ghani who retires pursuant to Clause 23.3 of the Company's Constitution and being eligible, has offered himself for re-election. *(Ordinary Resolution 3)*
- To re-elect Puan Rahana Binti Abdul Rashid who retires pursuant to Clause 23.3 of the Company's Constitution and being eligible, has offered herself for re-election. *(Ordinary Resolution 4)*
- To approve the payment of Directors' fees and Directors' benefits comprising meeting allowance to the Non-Executive Directors of the Company for the period from the 105th AGM until the conclusion of the next AGM of the Company to be held in 2024. *(Ordinary Resolution 5)*
- To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without modifications as:

- Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016. *(Ordinary Resolution 7)*

“THAT subject always to the Companies Act 2016 (**“the Act”**), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and all other applicable laws, regulations and guidelines, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company, at any time and upon such terms and conditions and for such purposes and to such person or persons whomsoever, whether or not a shareholder of the Company, as the Directors may determine in their absolute discretion, is in the best interest of the Company and its shareholders, and subject further to such terms and conditions as the Directors in their absolute discretion may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company.”
- To consider any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

Beh Siew Siew (MAICSA 7066637/SSM PC No. 202008001904)

Ooi Mei Ying (MAICSA 7051036/SSM PC No. 202008000797)

Company Secretaries

Kuala Lumpur

31 July 2023

NOTES:

- 1) The 105th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Electronic Voting ("**RPEV**") facilities provided by Bina Management (M) Sdn Bhd via online meeting platform at <https://www.binamanagement.com.my>. **Please refer to the Administrative Guide for the 105th AGM which is available at the Company's website at www.asianpac.com.my for the procedures to register, participate and vote remotely at the 105th AGM through the RPEV facilities.**
- 2) Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 105th AGM using the RPEV.
- 3) The Broadcast Venue of the 105th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairperson of the meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be physically present at the meeting venue on the day of the 105th AGM.
- 4) A member who is entitled to attend and vote at the 105th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 105th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 105th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- 5) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- 6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- 7) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialed.
- 8) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 105th AGM or at any adjournment thereof:-

(i) *In Hardcopy Form*

*The Proxy Form shall be deposited at the Poll Administrator's office, **Bina Management (M) Sdn Bhd of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor**; OR*

(ii) *By Electronic Means*

- *The Proxy Form shall be electronically submitted **via email** at the Poll Administrator's email address at binawin@binamg168.com; OR*
- ***via submission of E-Proxy Form** in BINA Portal at <https://www.binamanagement.com.my>. Please follow the steps as set out in the Administrative Guide under item 2 in Note H – "Submit E-Proxy Form".*

NOTICE OF ANNUAL GENERAL MEETING

- 9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in this Notice of 105th AGM will be put to vote by poll.
- 10) In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 September 2023 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 105th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.

Personal data privacy

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the 105th AGM and/or any adjournment thereof, a member of the Company:

- (i) *consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 105th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 105th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) *warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.*

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS**1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 March 2023**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolutions 1 to 2 - Re-election of Retiring Directors pursuant to Clause 23.4 of the Company's Constitution

Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dr Yu Tat Loong are standing for re-election as Directors in accordance with Clause 23.4 of the Constitution of the Company and being eligible, have offered themselves for re-election at the 105th AGM.

Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dr Yu Tat Loong, who are standing for re-election had undergone the performance evaluation and had individually made the declaration of their fitness and propriety to continue acting as Directors of the Company in accordance with the Directors' Fit and Proper Policy.

Based on the assessment of the Nomination Committee ("NC"), the NC is satisfied that the retiring Directors had demonstrated their commitment and continue to be diligent and competent in their role as Directors and the Board has endorsed the NC's recommendation subject to the shareholders' approval at this AGM. The retiring Directors had abstained from deliberations and decisions on their re-election at the Board meeting.

The profiles of Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas and Dr Yu Tat Loong are set out in the Profile of Board of Directors section of the Company's Annual Report 2023.

3. Ordinary Resolutions 3 to 4 - Re-election of Retiring Directors pursuant to Clause 23.3 of the Company's Constitution

Pursuant to Clause 23.3 of the Company's Constitution, any Director who is newly appointed shall hold office only until the next AGM and shall then be eligible for re-election but he/she shall not be taken into account in determining the number of Directors who are to retire by rotation at the AGM.

Datuk Yunos Bin Abd Ghani and Puan Rahana Binti Abdul Rashid who were appointed as Independent Non-Executive Directors of the Company on 15 March 2023 and 1 June 2023 respectively, are standing for re-election as Directors in accordance with Clause 23.3 of the Constitution of the Company and being eligible, have offered themselves for re-election at the 105th AGM.

The appointments of Datuk Yunos Bin Abd Ghani and Puan Rahana Binti Abdul Rashid were duly considered by the NC taking into account their backgrounds, qualifications, experiences, integrity, competence, time commitment and independence. Upon the recommendation of the NC, the Board approved the said appointments. Their profiles are set out in the Profile of Board of Directors section of the Company's Annual Report 2023.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D)**4. Ordinary Resolutions 5 – Payment of Directors' Fees and Benefits**

Section 230(1) of the Act stipulated that the fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting. The Directors' fees and Directors' benefits comprising meeting allowance payable to the Non-Executive Directors of the Company remained the same amount as approved at the previous AGM held in 2022.

This Resolution is to seek shareholders' approval for payment of the Directors' fees and Directors' benefits comprising meeting allowance to the Non-Executive Directors for the period from 14 September 2023 until the conclusion of the next AGM of the Company to be held in 2024, in accordance with the remuneration structure as set out below:

Directors' Fees (payable on monthly basis):

	Amount
• For Chairman of the Board	RM144,000 per annum
• For Chairman of the Audit and Risk Management Committee ("ARMC")	RM108,000 per annum
• For other Non-Executive Director	RM60,000 per annum

Directors' Benefits (payable after meeting day)

Meeting Allowance for attendance of Board and Board Committee Meetings	RM1,000 per meeting day
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5. Ordinary Resolution 6 – Re-appointment of Auditors

Based on the External Auditors Assessment Result for the financial year under review, the Board and ARMC are satisfied with the quality of service, adequacy of resources provided, communication, independence and professionalism demonstrated by the External Auditors in carrying out their duties. Being satisfied with the External Auditors' performance, the Board endorsed the recommendation by the ARMC to recommend the re-appointment of Messrs UHY as External Auditors of the Company to the shareholders for approval at the forthcoming 105th AGM.

6. Ordinary Resolution 7 - Authority to Issue Shares pursuant to Sections 75 & 76 of the Act

This Ordinary Resolution 7 proposed for the renewal of general mandate in relation to the authorisation for issuance of shares by the Directors, if passed, will enable the Directors to issue up to 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The renewed mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisition(s).

STATEMENT ACCOMPANYING NOTICE OF 105TH AGM**1. Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)**

No individual is standing for election as Director at the 105th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities

The proposed Ordinary Resolution 7 on the general mandate for issue of securities is a renewal mandate. As of the date of this Notice, no new shares of the Company were issued pursuant to the mandate granted to the Directors at the 104th AGM held on 13 September 2022 and hence no proceeds were raised therefrom.

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PROXY FORM

105th Annual General Meeting



ASIAN PAC HOLDINGS BERHAD

Company No. 191301000011 (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

Number of shares held	
CDS Account No.	

I/We (Full Name) _____ (NRIC No./ Co. No. _____)

Contact No. _____ of _____
being a member/members of ASIAN PAC HOLDINGS BERHAD [Company No. 191301000011 (129-T)] do hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Mobile Phone No:	Email:		

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Mobile Phone No:	Email:		

failing him, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the 105th Annual General Meeting ("AGM") of the Company to be conducted on a virtual basis at the Broadcast Venue at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur on Wednesday, 13 September 2023 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 Tan Sri Dato' Seri (Dr) Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas pursuant to Clause 23.4 of the Company's Constitution		
2	To re-elect Dr Yu Tat Loong pursuant to Clause 23.4 of the Company's Constitution		
3	To re-elect Datuk Yunus Bin Abd Ghani pursuant to Clause 23.3 of the Company's Constitution		
4	To re-elect Puan Rahana Binti Abdul Rashid pursuant to Clause 23.3 of the Company's Constitution		
5	To approve the payment of Directors' fees and Directors' benefits comprising meeting allowance to the Non-Executive Directors of the Company for the period from the 105 th AGM until the conclusion of the next AGM of the Company		
6	To re-appoint Messrs. UHY as Auditors		
7	To authorise Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Signed this day _____ of _____ 2023

Signature of member

Notes:

- The 105th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities provided by Bina Management (M) Sdn Bhd via online meeting platform at <https://www.binamanagement.com.my>. Please refer to the Administrative Guide for the 105th AGM which is available at the Company's website at www.asianpac.com.my for the procedures to register, participate and vote remotely at the 105th AGM through the RPEV facilities.
- Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 105th AGM using the RPEV.
- The Broadcast Venue of the 105th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 105th AGM.
- A member who is entitled to attend and vote at the 105th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 105th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 105th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialed.
- The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 105th AGM or at any adjournment thereof:
 - In Hardcopy Form
The Proxy Form shall be deposited at the Poll Administrator's office, **Bina Management (M) Sdn Bhd of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor**; OR
 - By Electronic Means
 - The Proxy Form shall be electronically submitted **via email** at the Poll Administrator's email address at binawin@binamg168.com; OR
 - via submission of E-Proxy Form** in BINA Portal at <https://www.binamanagement.com.my>. Please follow the steps as set out in the Administrative Guide under item 2 in Note H – "Submit E-Proxy Form".
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 105th AGM will be put to vote by poll.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 September 2023 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 105th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.



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ASIAN PAC HOLDINGS BERHAD
Company No. 191301000011 (129-T)
c/o Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor

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ASIAN PAC HOLDINGS BERHAD

Company No. 191301000011 (129-T)

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

T: +603 2786 3388 | F: +603 2786 3386

www.asianpac.com.my

