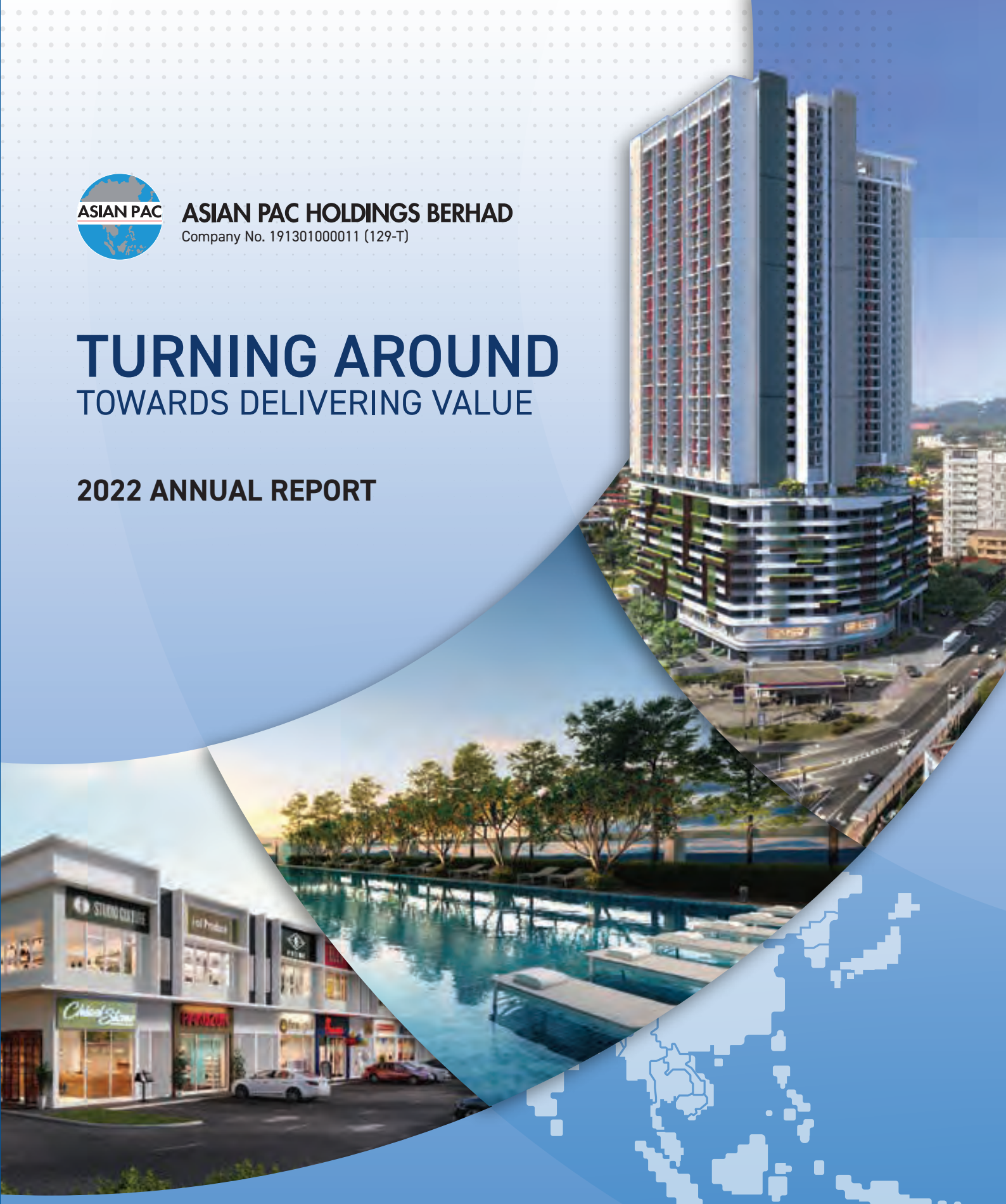
ASIAN PAC HOLDINGS BERHAD
Company No. 191301000011 (129-T)

TURNING AROUND
TOWARDS DELIVERING VALUE

2022 ANNUAL REPORT



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TURNING AROUND
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Mall Highlights

ADILFITRI DI KAAMATAN

Harvest Festival & Hari Raya
April - May 2021

In the month of April 2021 leading up to the Hari Raya Aidilfitri and Kaamatan Festival in May 2021, Imago Shopping Mall ("Imago") was decorated with Raya stickers at the Main Entrance and Everrise Entrance. With more relaxed physical restrictions during the Conditional Movement Control Order period, we managed to promote the festive atmosphere and draw footfall into the mall which has boosted tenants' sales, albeit by putting up a simple decoration approach.

FACEBOOK ACTIVITIES

April 2021

In April 2021, Imago's marketing team begin hosting Imago's tenants' postings on its Facebook page to promote its tenants' shops and products.

An April Specials Album was created to include all the tenants' artworks. Additionally, we have created Imago Contributor Contest and Easter Contest to increase the level of connectivity with our social media followers and customers.

Besides, we also included tenants' in-store photos postings and memes to further expand our social media engagement with the community.

Through ongoing social media activities and plans, our target audiences would better appreciate Imago as a lifestyle mall that values their shopping experiences with an emphasis on their safety and well-being. For example, we constantly receive inquiries from and provide feedback to our customers on measures taken and the standard operating procedures adopted by the mall in addressing the COVID-19 situation prior to their visits. We have also witnessed active social media engagement through the tenants' in-store photos posting and memes which have helped boost shoppers' footfall and enhanced shopping experiences.

FACEBOOK ACTIVITIES

May 2021

In May 2021, Imago's social media activities continued with the creation of May Specials Album to include all the tenants' artworks. We had also organised Top Fan Contest, Raya Contest and Harvest Contest through our Facebook digital platforms to intensify our social media exposure due to the ongoing COVID-19 situation in the country.

Besides, we had also included tenants in-store photos postings and memes to further promote active social media engagement.

FACEBOOK ACTIVITIES

June 2021

Due to the nationwide lockdown in June 2021, Imago's Facebook activity was put on hold but was replaced with digital greetings posts and blood donation posts.

FACEBOOK ACTIVITIES

August 2021

During the month of August 2021, we uploaded Merdeka greeting post to commemorate Merdeka Day celebrations to share the spirit of independence and patriotism in a pandemic.

FACEBOOK ACTIVITIES

September 2021

During the month of September 2021, we posted Mid-Autumn and Malaysia Day greetings posts on Imago's Facebook page in conjunction with the Mid-Autumn festival and in the spirit of unity and harmony.

FACEBOOK ACTIVITIES

October 2021

During the recovery period of the movement control order in the month of October 2021, we resumed our regular postings on Imago's Facebook, Instagram and website to inform patrons about stores re-opening as well as products and promotions available by retailers.

FACEBOOK ACTIVITIES

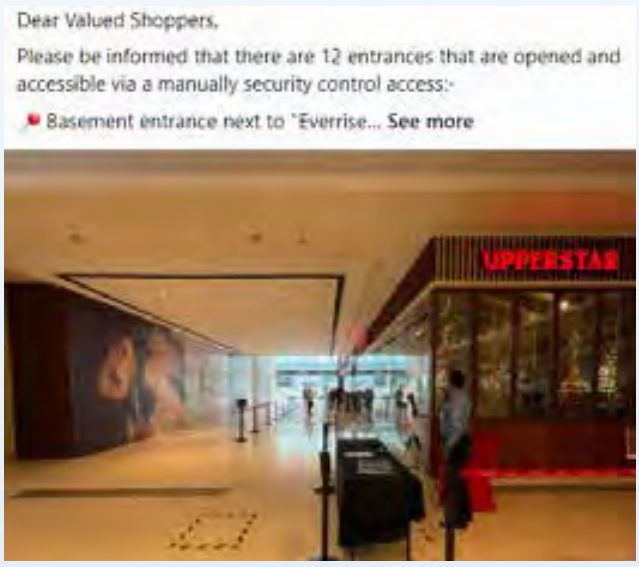
November 2021

During the month of November 2021, Imago's marketing team continued with its ongoing regular digital marketing of tenants' products and promotions and sent virtual Deepavali greetings on Imago's Facebook page, Instagram and website to stay connected with the community. We witnessed our social media customers and followers were incredibly responsive and actively engaging with us.

FACEBOOK ACTIVITIES

December 2021

During the month of December 2021, besides the regular Facebook's postings on the mall's marketing and promotional events, Imago celebrated Christmas with Christmas decorations. The mall's main entrance was decorated with a giant Christmas tree.



CHINESE NEW YEAR ACTIVITY AND BOOSTER VACCINATION PROGRAMME

January 2022

During the month of January 2022, we held a Lion and Dragon Dance Performance to usher the Lunar New Year of the Ox and shared it on our social media platforms which had drawn crowds to the mall.

In our effort to increase the protection of the community against the infectious COVID-19 variants, Imago in collaboration with the Ministry of Health (Malaysia) and Mutiara Gyne Care participated in the booster vaccination program which was administered on a voluntary basis and free of charge as part of the National COVID-19 Immune #LindungiDiriLindungiSemuaisation Programme (PICK).

The program was first launched from 20 January 2022 to 31 March 2022 (every day except Monday and on Chinese New Year holidays) and was then extended subsequently due to the overwhelming demand.

Through the booster vaccination programme, the PPV centre has recorded a total of 11,836 people who received the vaccination at Imago.

Project Highlights

SURYA PJ SOUTH is envisaged to become the new landmark of Taman Medan, Petaling Jaya ("PJ") upon its completion of 74 acres township. It is strategically located at the nucleus point between PJ, Old Klang Road and Bandar Sunway making it an ideal real estate for property investors and owner occupiers.

The first Tower of the first residential titled project at Surya PJ South is the Dwitara Residences slated to be launched by early third quarter 2022 comprises only 439 condominium units with semi-detached and bungalow layouts that provide both exclusivity and privacy for the residents.

The future community of Surya PJ South is able to enjoy both lifestyle living and conveniences in one master development plan.

MAHOGANY RESIDENCE located at Kota Damansara, well-established neighbourhood blossomed with a variety of residential and commercial properties and amenities, is easily accessible via the New Klang Valley Express ("NKVE"), North South Expressway ("NSE"), Lebuhraya Damansara Puchong ("LDP"), Penchala Link Highway and connected to excellent intercity highway systems serviced by public transport which makes travelling to-and-fro effortlessly to Mutiara Damansara and Bandar Utama. This gives its residents the easy access to a plethora of amenities within the vicinity of their neighbourhoods. It also sits within a lush environment, thanks to its location adjacent to a forest reserve with a 5km walking distance for hiking trails. This latest development project will offer 281 residential titled condominium units. The project is scheduled to be launched by third quarter 2023.

LIKASVUE is situated at Likas, Kota Kinabalu ("KK"). It stands tall and offers 360-degree scenic views throughout the year. Not many vertical homes in cities across the globe 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.

Awards & **Recognition**

Sabah Tourism Awards 2017
for Best Shopping Complex

The Malaysia Book of Records for
the Tallest Rotating Christmas Tree

Sabah Tourism Awards 2019
for Best Shopping Complex

As recognition to the heads of department with excellent achievement of good corporate governance, the Chairman of the Audit and Risk Management Committee, Yang Berbahagia Datuk Mohamed Salleh Bin Bajuri has personally awarded letters of excellence and appreciation to Madam Jesslyn Chong and Puan Siti Zalina in a ceremony witnessed by members of the Board, the Audit and Risk Management Committee and Senior Management. The recipients of the award have achieved the highest scores for their department's internal control assessment in the financial year under review.

Sponsorship & Promotional Activities

22 APRIL – 25 APRIL 2021

United Nation Children Fund Events

23 JULY – 25 JULY 2021

Collaboration between St John Ambulance and Hospital Likas Blood Donation Campaign

18 MARCH – 19 MARCH 2022

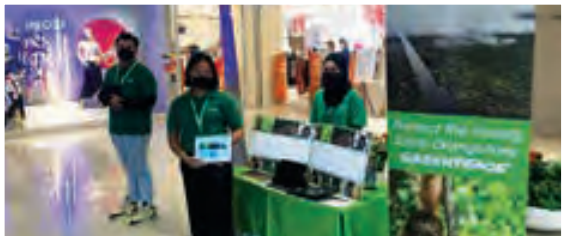
Programme with Jabatan Tenaga Kerja

22 APRIL – 12 MAY 2021

Sponsor Venue for Zakat Fitrah

25 JANUARY – 6 MARCH 2022

Omniraise's "Greenpeace Awareness Campaign and Fundraising Activities



19 FEBRUARY – 20 FEBRUARY 2022

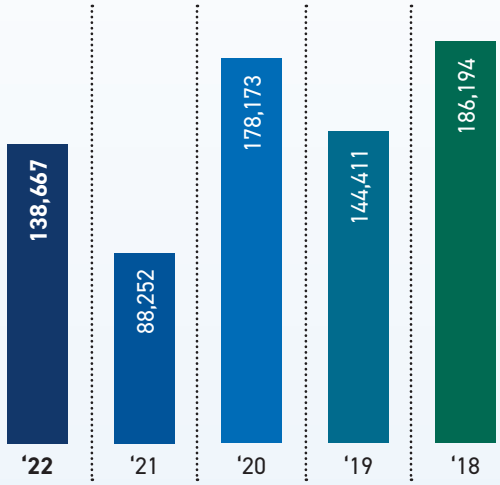
Launch Sabah FC Jersey and Team Introduction

29 MARCH – 30 MARCH 2022

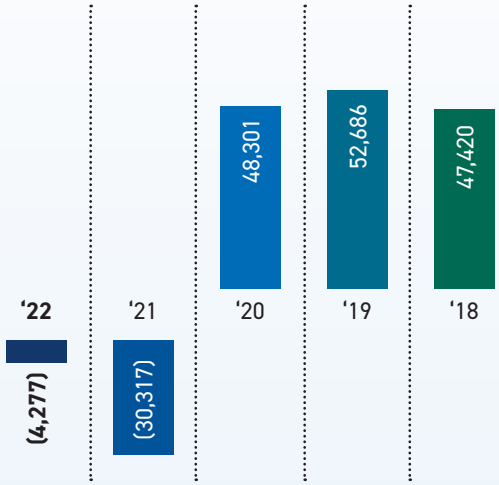
Collaboration between Hospital Queen Elizabeth II and Malaysia Armed Forces Blood Donation Campaign in Conjunction with Hari Tentera Darat Ke-89

5 Years Group
Financial Highlights

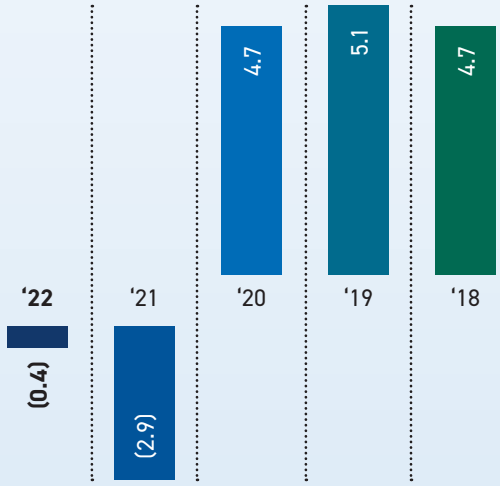
REVENUE (RM'000)



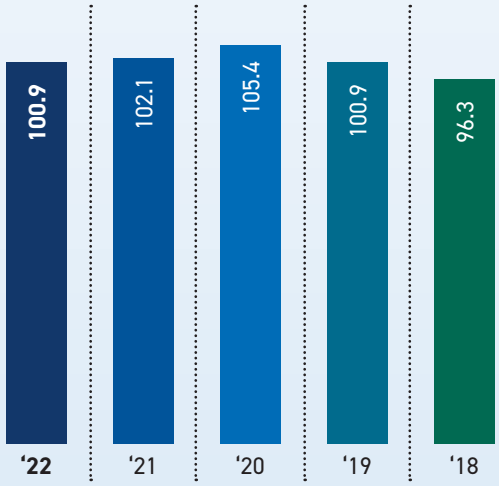
NET (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS (RM'000)



(LOSS)/EARNINGS PER SHARE (SEN)



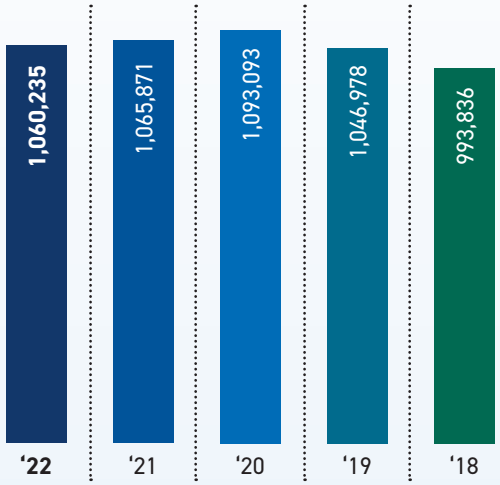
NET ASSETS PER SHARE (SEN)



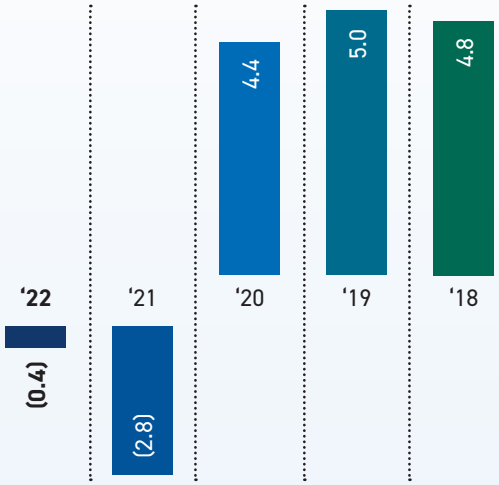
Financial Year Ended 31 March	2022	2021	2020	2019	2018
Revenue (RM'000)	138,667	88,252	178,173	144,411	186,194
Net (Loss)/Profit Attributable to Equity Holders (RM'000)	(4,277)	(30,317)	48,301	52,686	47,420
(Loss)/Earnings Per Share (Sen)	(0.4)	(2.9)	4.7	5.1	4.7
Net Assets Per Share (Sen)	100.9	102.1	105.4	100.9	96.3

5 Years Group Financial Highlights

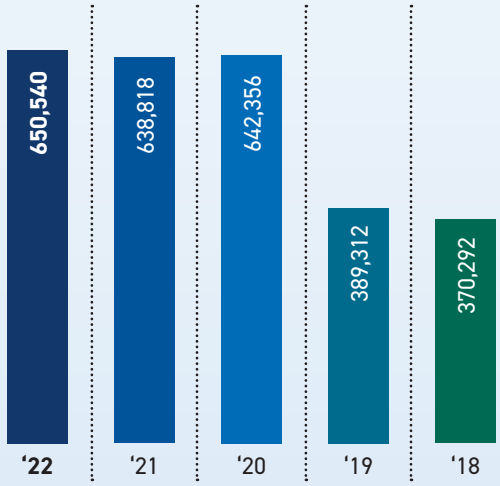
SHAREHOLDERS' EQUITY (RM'000)



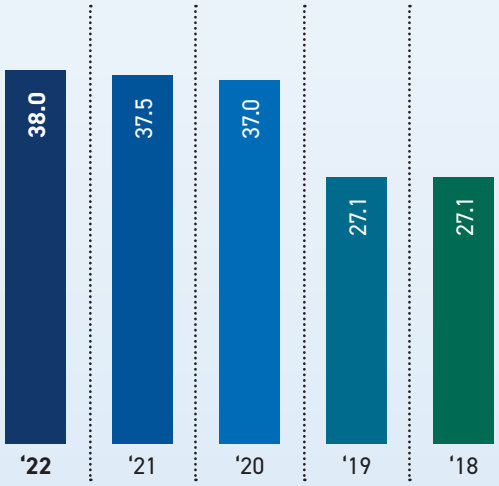
RETURN ON EQUITY (%)



NET DEBT (RM'000)



GEARING RATIO (%)



Financial Year Ended 31 March	2022	2021	2020	2019	2018
Shareholders' Equity (RM'000)	1,060,235	1,065,871	1,093,093	1,046,978	993,836
Return on Equity (%)	(0.4)	(2.8)	4.4	5.0	4.8
Net Debt (RM'000) (Note 36, Page 155)	650,540	638,818	642,356	389,312	370,292
Gearing Ratio (%) (Note 36, Page 155)	38.0	37.5	37.0	27.1	27.1

Management Discussion & Analysis

Asian Pac Holdings Berhad ("Asianpac" or the "Group") 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 ("sq. ft.") to AEON BiG 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 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)	2022	2021	Changes
Revenue	138,667	88,252	50,415
Cost of Sales	(84,899)	(47,519)	(37,380)
Gross Profit	53,768	40,733	13,035
Other Income	21,603	33,153	(11,550)
Administrative Expenses	(52,868)	(72,854)	19,986
Operating Profit	22,503	1,032	21,471
Finance Costs	(26,810)	(34,180)	7,370
Share of Result of Associate	-	(2)	2
Loss Before Tax	(4,307)	(33,150)	28,843
Income Tax	(466)	2,543	(3,009)
Loss After Tax	(4,773)	(30,607)	25,834

The business operations of the Group continued to be impacted by the economic uncertainty and social distancing measures under the COVID-19 pandemic in the first half of the financial year 2022. It has been a challenging year for the Group caused by the third wave of the COVID-19 outbreak which had led to a third Movement Control Order ("MCO 3.0") being reimposed in May 2021 nationwide and the country was placed under a full lockdown in the month of June 2021 by the Malaysian Government. However, the Group's financial performance has shown progressive improvements in the second half of the financial year following the roll-out of the National Recovery Plan ("NRP") directing Malaysia towards progressive economic recovery. The adverse impact caused by the pandemic crisis was lesser with the high vaccination coverage and the ongoing booster shot strategy. Towards the end of the financial year, more confidence was returning to the property and retail sectors as the whole country was preparing to return to normalcy in social and economic activities with the re-opening of most economic sectors, upliftment of domestic travels and gradual re-opening of international borders. For the financial year under review, the Group recorded an increase in revenue of RM138.7 million, compared to RM88.3 million reported in the previous financial year. The higher revenue in the financial year was primarily contributed by the property development segment which consisted mainly of the sales proceeds of RM42.0 million from the completion of the disposal of a piece of leasehold land in Selangor. Excluding the said land disposal in the current financial year, the revenue would have been lower by RM11.3 million or 22.6%, reflecting lower property sales as the Group has taken the prudent stance to defer its pipeline of new development launches amidst the pandemic challenges faced during the year. Over the financial year, the Group has focused on the sale of completed properties of the Fortune Centra project following the handover of vacant possession in March 2021. To date, 85% of its inventory units have been sold during the financial year attributed to a well-conceived sales strategy. The mall operations segment also reported a commendable increase in revenue mainly due to lower rental rebates provided to the tenants for the Imago Shopping Mall ("Imago") having been impacted by the pandemic and various phases of MCO, underpinned by the recovery of shoppers' footfall and sales following the easing of movement restrictions compared to the more stringent movement restrictions in the previous financial year. The better performance in the second half of the financial year has contributed to the Group having achieved better revenue performance across all segments in the financial year 2022 as compared to last year. In line with the higher revenue achieved, gross profit increased by RM13.0 million, or 32.0% to RM53.8 million this year.

Backed by the increase in revenue and gross profits, the Group's operating profits increased significantly to RM22.5 million from RM1.0 million last year. The higher operating profits were also partly attributed to a significant reduction in net fair value losses adjustment on investment properties of RM11.1 million in the current year as compared to RM30.9 million a year ago, comprising of Imago of RM13.0 million but slightly mitigated by fair value gain on car parks and other investment property of RM1.9 million. The lower impairment losses of the Group's investment properties were mainly due to the encouraging earnings recovery in the mall and carparks as the government has gradually eased COVID-19 restrictions since the second half of the financial year.

Finance cost has decreased by RM7.4 million mainly due to lower unwinding of interest costs in relation to a long-term payable. There is an income tax expense of RM0.5 million as compared to an income tax credit of RM2.5 million in the preceding financial year mainly due to the reversal of deferred tax income attributed to the reversal of fair value loss on investment properties in the current financial year. The improvement of the Group's operating profits has contributed to the lower loss after tax of RM4.8 million as compared to RM30.6 million in the preceding year.

ASSETS AND LIABILITIES

(RM'000)	2022	2021	Changes
Assets			
Non-current assets	1,694,616	1,684,629	9,987
Current assets	324,108	350,982	(26,874)
Total assets	2,018,724	2,035,611	(16,887)
Liabilities			
Non-current liabilities	696,915	728,514	(31,599)
Current liabilities	260,585	237,967	22,618
Total liabilities	957,500	966,481	(8,981)
Equity			
Share capital	213,643	212,399	1,244
Reserves	3,892	3,108	784
ICULS	74,579	75,638	(1,059)
Retained profits	768,121	774,726	(6,605)
Equity attributable to equity holders of the parent	1,060,235	1,065,871	(5,636)
Non-controlling interest	989	3,259	(2,270)
Total equity	1,061,224	1,069,130	(7,906)
Total equity and Liabilities	2,018,724	2,035,611	(16,887)

Non-current assets have increased by RM10.0 million to RM1,694.6 million this year largely attributed to additional costs of RM19.7 million associated with the preliminary development activities incurred by the Group on its development land for future property development projects which are in the planned pipeline launches. The increase was partially offset by net fair value losses of RM11.1 million arising mainly from the valuation of Imago.

Current assets have decreased by RM26.9 million to RM324.1 million mainly due to a net reduction in cash and bank balances by RM17.5 million arising from the repayment of loans and borrowings. The other receivables have also decreased by RM8.8 million mainly due to partial release of the stakeholder sum of a project completed in the prior year.

Total liabilities decreased by RM9.0 million to RM957.5 million mainly due to the decrease in other creditors of RM11.0 million arising from a partial settlement of deferred consideration which is payable progressively over the period of 5 years ending 2024. The decrease was partially offset by an increase in a net drawdown of loan facilities of RM3.0 million to fund working capital during the year.

Total equity remained strong at RM1,061.2 million, decreased marginally by RM7.9 million or 0.7% from the previous financial year mainly due to net losses in the current financial year.

CASH FLOW

(RM'000)	2022	2021	Changes
Cash flow generated from operating activities	24,690	31,502	(21.6%)
Cash flow used in investing activities	(7,958)	(8,521)	6.6%
Cash flow used in financing activities	(27,336)	(5,994)	>(100%)
Cash and cash equivalent	29,852	40,456	(26.2%)

The decrease in cash generated from operating activities was mainly due to minimal development activities undertaken in view of the deferment in project launching. The lower cash outflow in investing activities was largely due to higher development costs incurred on future development, which was partially mitigated by lower short-term deposits pledged to financial institutions and licensed banks for facilities granted to the subsidiary companies of the Group. The decrease in cash flow from financing activities was mainly due to higher repayment of bank borrowings.

We financed our operations primarily through a combination of cash flow generated from operations and loan facilities. The gearing of the Group increased from 37.5% to 38.0% mainly due to the decrease in cash and bank balances coupled with lower total equity after appropriating net losses for the year.

PROPERTY DEVELOPMENT

BUSINESS AND STRATEGIES

In line with our business strategies for the financial year ended 2022, we resolved to carry out aggressive sales activities to bring down our unsold inventories in the sluggish property market. Internally, we continue to revamp our processes to improve the efficiency by reducing delivery time from concept and design stage to completion of construction stage. In enhancing our competitive advantages, we are leveraging on innovative monitoring tools in our construction monitoring processes to undertake active monitoring of project development activities as well as promptly responding to and managing any pain point of delay in deliveries. To further enhance its competitiveness, we are also establishing standardisation of technical specification and design for all future projects' launches whilst allowing operational flexibility to navigate the evolving business landscapes. It reinforces our principle to deliver quality products to our purchasers and at the same time, maintain a level of product consistency within the Group.

During the pandemic, our sales and marketing teams continue to explore innovative ways to engage with our potential purchasers by leveraging on digital platforms and social media channels to capture a larger market share and in facilitating property buying process.

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

More importantly, to stay competitive in this challenging market, we have to gain a better understanding of prospective purchasers' requirements by offering the right product and right pricing.

REVIEW OF OPERATIONS

Property development segment accounted for the highest revenue contribution for the Group and achieved a higher growth this year with an increase in revenue by 95.5% to RM80.6 million from RM41.2 million in the previous year. Despite the higher revenue, segment result has recorded losses but the loss has narrowed down to RM9.1 million from a loss of RM10.5 million a year earlier. The higher revenue was largely contributed by the disposal of a parcel of leasehold land in Selangor and sales of inventories.

The losses were mainly due to minimal revenue and profit recognition from the Group's newer property development projects as they are still at the early stage of development. Due to the uncertainty of the economic recovery and

movement restrictions resulting from the pandemic largely in place for almost the entire financial year, the Group has taken a prudent stance in deferring its pipeline launches over the past financial year until the market conditions was gradually recovering towards the end of 2021. The Group has unveiled its official launch of 22 units of Phase 1 – Rimba Hills double-storey shop offices in December 2021 and 46 units of Phase 2 – Rimba Hills double-storey townhouses in January 2022, located adjacent to the interchange between Papar and KK City Centre along the Pan Borneo Highway. The aforesaid two phases are part of the 16.57 acres mixed development comprising shop offices, double-storey terrace linked-houses and double-storey townhouses. Other than Rimba Hills project, there was no other new project launches during the financial year 2022. Planning is underway for the launch of the Group's upcoming pipeline projects in phases according to prevailing market conditions.

Enhancing customer experience is our dedication and in meeting our customers' expectations throughout the after-sales services, we have established a customer service team to ensure the key-handover process a memorable experience for the purchasers, defects submission and products are delivered to the satisfaction of our purchasers. We have also established an in-house facilities management team to focus on the provision of operations, maintenance and management services which can diversify our revenue stream with sustainable income and expand beyond our internal operations as a service provider for external parties in time to come. Our newly established in-house property management team will safeguard the maintenance and upkeep of our projects completed in the most favourable and conducive condition.

REVIEW OF OPERATIONS (CONT'D)

Our aggressive sales strategies in converting the inventory units to sales amidst the COVID-19 pandemic and implementation of various phases of MCO had made encouraging results by clearing 85% of completed units held for sale from Fortune Centra as of the current financial year end. During the various phases of MCO, our planned marketing activities were disrupted and we have stepped up on digital marketing and social media platforms to reach a larger pool of audience and gather feedbacks from prospects for our new sales launch while in a lockdown state.

Our new projects' launches which were put on hold in the financial year 2022 during COVID-19 and various phases of MCO due to pre-development planning and authorities' site inspection being disrupted by the closure of local authorities' office and officers who work from home during the MCO, have been carried forward to the next financial year ending 2023. In view of the unpredictable pace of recovery in the overall economy and property market, the Group will remain prudent with new launches, market-oriented products and pricing for its planned pipeline of projects going forward.

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 above 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 KK City Centre, Rimba Hills exudes the charm of modern living within the realm of natural wonder. A collection of conveniences 5km within reach of shoplexes and sensational sights overlooking the South China Sea.

Rimba Hills signals the rise of a new social hub that's set to redefine Kinarut urbanism with sense and style, taking root between Papar and KK 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, their family and friends to the great outdoors.

LikasVue

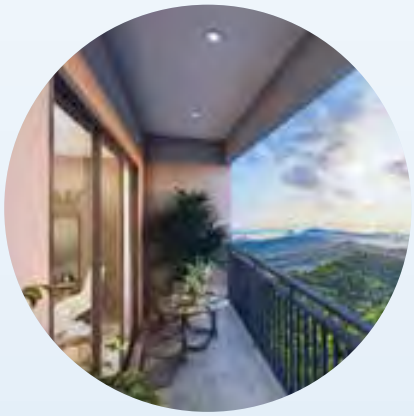
LikasVue is situated at Likas, Kota Kinabalu. It stands tall and offers 360-degree scenic views throughout the year. Not many vertical homes in cities across the globe can boast that. LikasVue comes with an address that has an abundance of surrounding conveniences and necessities from neighbouring tourist 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.

Surya PJ South

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

Surya PJ South is the rising township comprising a mix of 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 will be the first residential project that is going to launch in this sustainable township. This condominium enclave features both elevated semi-detached and bungalow layouts with sizes ranging from 847 sq. ft. 3 bedroom units to 1,236 sq. ft. 4 bedrooms dual-residence units with 2 carparks 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 project is scheduled to be launched by third quarter 2022.



Mahogany Residences

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 to 1,623 sq. ft. to cater to every need and requirement. Every unit comes with a generous balcony space for homeowners 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 i.e., the NKVE, NSE, LDP and Penchala Link Highway.

The project is scheduled to be launched by second quarter 2022.

Kundang

A landed residential project situated at the intersection of three major highways, namely, NSE, Guthrie Corridor Expressway (GCE) and Kuala Lumpur-Kuala Selangor Expressway (LATAR), one can reach Kuala Lumpur city centre, PJ, Subang Jaya, Shah Alam, Kuala Selangor and Bukit Jelutong without hassle.

Kundang is a great place to stay if you want a home away from the hustle and bustle but still able to reach the city within minutes. Currently, the development is still under its preliminary design and planning stage. The launching is anticipated by third quarter 2023.

ANTICIPATED RISKS

With the end of MCO 3.0 and subsequent re-opening of all economic sectors, the housing market demand is slowly recovering. This was evident in the increased number of enquiries made for Surya PJ South and Mohagany Residences development. However, the euphoria may be tampered with due to uncertainty posed by the current Government's fragile political coalition. General election 15 was touted to be around the corner causing many purchasers to take a "wait and see" approach, especially for purchasing big items such as property.

Other unfavourable risk factors include the two consecutive recent hikes in Overnight Policy Rate ("OPR") by Bank Negara Malaysia ("BNM") from 1.75% in July 2020 to 2.00% and 2.25% on 11 May 2022 and 6 July 2022 respectively, bringing to a cumulative OPR hike of 50 basis points which has effectively raised the cost of borrowings for the Group as well as for the purchasers. The prolonged supply chain disruption resulting from the effects of the lengthened COVID-19 pandemic coupled with the Ukraine and Russian war which has caused material prices to escalate are expected to negatively impact the Group's profit margins, cash flow and bottom line performance.

OUTLOOK

For the financial year ending 2023, the Group will continue to focus on developing its several planned project launches in the pipeline comprising a mix of development products which are to be rolled out in stages. However, the planned developments may be affected by the delay in recovery in the property market owing to the disruption of the supply chain caused by the ongoing Ukraine and Russian war, inflationary pressure leading to escalating material prices, interest rate hike as well as the political and economic uncertainty.

Despite facing with the prevailing challenges and uncertainties, we remain positive of property being resilient in the long-term as a hedge against inflation and that the property market will continue to recuperate to the pre-pandemic period given the full resumption of project development activities in line with the transition from the pandemic to the endemic phase. In addition, the continued policy support and incentives from the Government, particularly the initiatives under an expansionary Budget 2022 and the recently announced stamp duty exemptions for the purchase of first homes between June 2022 and December 2023 are expected to help stimulate the property market. We will continue to navigate through the economic challenges with its continuity plans to re-assess our strategy and calibrate the timing to launch the new sales according to demand forces.

MALL OPERATIONS

BUSINESS AND STRATEGIES

As Malaysia moves into endemicity, there is hope on the horizon for the retail sector although global and national macroeconomic and political uncertainties continue to deter large-scale expansion of brands into East Malaysia. Nevertheless, as Imago KK continues to be one of the brand leaders in East Malaysia, we believe we can still be the point-of-entry into East Malaysia for international and national brands as they prepare for further stabilisation into pre-pandemic normalcy and the opening up of international travel borders.

East Malaysia is seeing revitalisation as we are witnessing young entrepreneurs taking part in the economic sector after the past two years of uncertainty. New brands are coming into the market, especially in the food and beverage industry, complemented by more modern design and service in their business. This is an opportunity for retail expansion provided that these new players are able to sustain moving forward.

We are, therefore, looking into dedicating a portion of retail mix to assist and support the local young entrepreneurs and their brands in a retail mall environment that will allow them to gain useful exposure. This is an essential part of our sustainability agenda so that the local youth business community will have a platform to build their own brands that will hopefully move on to a larger stage.

At the same time, we are continuing to target national and international brands to take the opportunity to expand into East Malaysia as we believe the retail industry will move towards an upward trend with the worst of the pandemic, hopefully, behind us. We are engaging with several brands which will allow us to shuffle brands around to strengthen trade and tenant brand mix.

REVIEW OF OPERATIONS

Mall operations continue to contribute sustainable rental income for the Group at 35.1% of the total Group's revenue amidst the pandemic challenges. The mall operations segment registered total revenue of RM48.7 million with an operating profit of RM28.9 million, representing an increase of RM11.3 million or 30.2% and RM10.7 million or 59.3%, respectively from the preceding corresponding financial year.

The better revenue and results performance had led to a higher operating profit margin of 59.3% achieved in the current financial year due to fiscal prudency on effective cost optimisation measures as compared to 48.7% last financial year. The operating profit mentioned here did not take into consideration the loss on fair value adjustment on investment properties and interest expenses totalling RM29.1 million and RM50.6 million in the current and previous years respectively.

The mall operations remain resilient throughout the pandemic despite providing substantial rental rebates to tenants during the financial year. According to Sabah Tourism Board statistics, international tourist arrival in 2021 was practically non-existent as numbers plummeted for the entire year to 7,286, where previously it was almost 1.5 million in 2019. Nevertheless, initial numbers indicate that numbers are slowly recovering as the first quarter 2022 saw numbers already exceeding the entire year of 2021 at 8,717.

Despite the situation of 2021, the majority of our retail partners have benefitted from another round of rental rebate policy during the MCO period in 2021 because we believe that our retail partners and ourselves will have to forge together to navigate through challenges and seize new opportunities together, in line with our sustainability beliefs.

We continued to actively engage our patrons online despite not being able to conduct extensive physical promotions and activities due to standard operating procedures ("SOPs") implemented by the government to control the spread of COVID-19 virus. It was not only until 2022 that we slowly introduced events together with the guidance of local health enforcement agencies and relevant government agencies.

As the government encouraged vaccination for COVID-19, we collaborated with the government in providing free venue space to better educate the public on the importance of vaccination. By implementing strict SOPs for mall operations, we were also able to educate the public on the importance of following protocols and procedures. We restricted the number of entrances into the mall, thus allowing far better controls and compliance at point-of-entry.

Operations continued to place great importance on SOPs and processes as we maintained our ISO certification for both ISO 9001 Quality Management Systems and ISO 14001 Environmental Management Systems, on top of ISO 31000 Risk Management as a guide. Combined with regular ISO audits, operations continue to strive toward excellence.

Cost optimisation has continued to be the major aspect of the financial year as the country continued to be grappled with

uncertainty due to the COVID-19 pandemic as we saw two major outbreaks during the financial year, which resulted in another MCO. Without compromising on core functions, we are able to continue to contribute significantly to the Group, and even outperformed the previous financial year despite negligible international tourist arrivals and uncertainty.

ANTICIPATED RISKS

We believe that the prospect of a looming general election for Malaysia will hinder certain expansions as brands might consider a "wait-and-see" attitude until the dust settles. Nevertheless, Sabah might be in a better position as it has recently gone through a round of state elections and it is unlikely that another round will proceed within such a short timeframe.

The macroeconomic situation may also affect retail spending as the currency slips further against major currencies, especially if there is a significant increase in 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 recent two consecutive interest rate hikes by BNM in May 2022 and July 2022 is 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. With the retail industry gradually moving into a recovery phase, we anticipate retail spending to be in extremely cautious mode.

OUTLOOK

The recovery phase of the retail industry is expected to still be slow. Although we anticipate growth in revenue as brands expand into East Malaysia, the increase in minimum wage, cost of logistics and transportation as well as interest rates in addition to the weakening currency, amongst others will drive operating costs upwards. This will similarly impact consumer sentiments, thus weakening retail spending.

As mall operations move into an endemic period and, hopefully, full normalcy towards year-end, previous cost optimisation measures will be reversed in order to move forward in the implementation of improvements, upgrades and value-add features. Nevertheless, we will also see a resumption of promotional activities, events and retail activities that may, hopefully, drive and encourage retail consumption.

All-in-all, we are cautiously optimistic that mall operations will continue to contribute significantly to the Group.

CAR PARK MANAGEMENT

BUSINESS AND STRATEGIES

To say that the financial year 2022 was a challenging year for the industry would be an understatement. The market perpetuates to be battered by COVID-19 and the continuing MCOs similar to the past financial year 2021.

The car park business performance for the financial year 2022 has continued to be impacted by the resurgence of the COVID-19 pandemic in 2021 which had withal affected the households, business activities and the overall path of the country's economic recovery.

The lockdown has disproportionately wedged domestic demand, particularly consumer spending, given that only essential services are allowed to operate. And certain business sectors were only allowed to operate at 60% capacity during the lockdown period. The surge in COVID-19 cases and the re-imposition of movement curbs have weighed on companies to operate with less staff, some businesses opted to close temporarily due to shortage of manpower, food and beverage sector operated for takeaway only while some had to fold for good. Consequently, such behavioural change of consumers and operators had adversely impacted the revenue across all our car park sites during the MCO period from June to Sept 2021.

Our planned programme since 2021 to prioritise the implementation of contactless (cashless and ticketless) system at all our car park sites is still in the pipeline. This implementation is expected to achieve cost savings in the maintenance of the aged parking equipment, zero costs on magnetic access tickets and headcount optimisation. The first car parking site that has installed the contactless system in replace of the manual operations is at Kelana Square site since May 2021. The adoption of cashless payment solutions thus far has proven to be efficient and effective in collections and pilferage control. The contactless system will be installed at Imago's car park site in the third quarter 2022, and continue to roll out to other car park sites in stages in 2023.

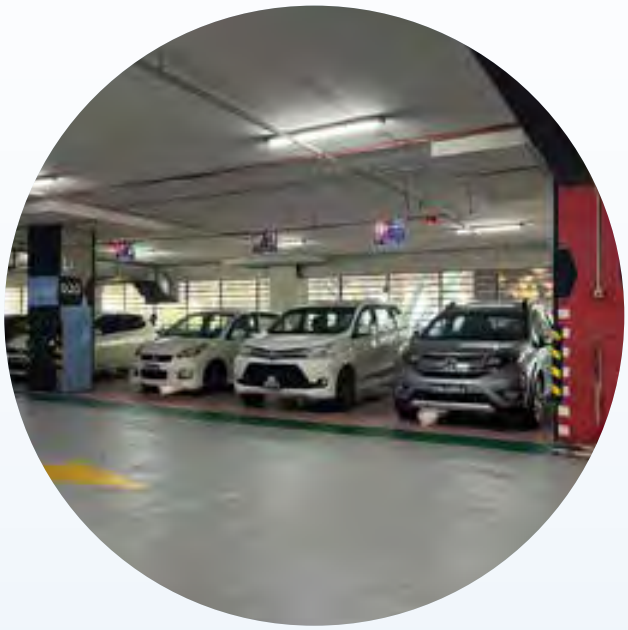
In our plan to achieve higher revenue, the Group is on the lookout for acquisition opportunities of viable car park businesses that are strategically located with higher growth potential. Besides that, we are continuously exploring new markets to broaden our services offering for the car park management services to external parties.

REVIEW OF OPERATIONS

Car park operations contributed RM7.4 million in revenue representing a growth of 6.1% year on year mainly attributed to the gradual resumption of business activities since the first quarter 2022, leading to a gradual rebound in our car park revenues which coincided with the festive seasons. However, operating profit (before fair value adjustment of investment properties) decreased marginally by 0.3% to RM2.6 million due to lower gain on fair value adjustments on investment properties recognised for the current financial year end.

ANTICIPATED RISKS

Since the re-opening of borders to restore economic activities, the general mood and sentiment have turned positive as consumers are allowed to travel which has also aided domestic-tourism. People mobility and traffic indicators have been showing signs of revival despite concerns about the Omicron variant. However, the COVID-19 contortions lingering risk of Omicron variant may dent consumer confidence and business sentiments, forcing the reimposition of some mobility restrictions.



At a time when the economies of most countries have just begun to recover from the COVID-19 pandemic, the Russian and Ukraine war has heightened the uncertainty and volatility in global trade, financial markets, multinational corporations and national economies. The upward pressure on inflation as a result of the increased oil price has resulted in a sharp rise in the price of petrol. Against these backdrops. the economy is likely to be negatively impacted, triggering businesses to scale down or close, retrenchments and high unemployment rate, thereby adversely affecting our car park collections.

Given the challenging conditions, we continue to focus on our cost optimisation plan to achieve higher profit contributions in the long term. The expected planned timeline for the installation of the contactless systems in the third quarter 2022 at Imago's car park site as the pilot project in KK, Sabah would assist to achieve cost savings through operational efficiencies for the Group besides providing a more user-friendly systems to our valued patrons. As the Group increases its leverage on digitalisation to improve overall costs and operational efficiencies, it remains committed to be more mindful and accountable for the well-being of the employees by redeploying any surplus resources to other business segments.

Further in its management of resources, we are exploring other avenues such as securing bulk parking from used motor vehicle dealers who may require more parking spaces for the storage of their motor vehicles and setting up car washing services facility to ensure occupancies are optimised which will subsequently achieve cost savings and deliver sustainable returns to shareholders.

OUTLOOK

The start of the financial year 2022 is definitely another turbulent year for most businesses with COVID-19 effect spilled over from the previous financial year. Many industries such as hotels, foods, fashion retailing and other businesses had reportedly folded whilst some have advanced on their digitalisation journeys to operate online businesses to keep afloat.

In spite of the uncertainties in the present economic situation, we remain positive and confident in the long-term car park business operation as our properties are strategically located in vibrant commercial areas where there is demand for space parking. Trends have shown that with each upliftment of the lockdown period, our car park sites have been able to achieve full season occupancy capacity leading to higher revenue generated. We are confident that the implementation of the contactless system is expected to boost the Group's bottom line with the increase in operational efficiency and control of revenue leakages. Based on our observation since returning to full normalcy in the social and economic activities and re-opening of all business sectors effective from 1 May 2022, vehicular traffic flow at our car park sites for season and non-season parking bay is higher. The demand for season car park spaces has rebounded strongly as indicated by the higher than expected waiting list being registered.

The Malaysian Automotive Association ("MAA") forecasts automotive sales to improve in 2022, with 17.9 per cent growth in total industry volume ("TIV") to 600,000 units for 2022 from 508,911 units recorded in 2021. According to sales data by the MAA, the TIV for April 2022 stood at 56,213 units, fuelled by the resumption of economic activities and normalisation of social activities, coupled with a continuation of the sales tax exemption in the first half of the year.

A result posted by MAA shows that a total of 1,038,425 vehicles (excluding the used car sales volume) were being sold in 2021 and 2022 and are already on the road. Under such positive momentum where demand for more parking spaces is anticipated to be robust, we remain optimistic about the prospect of the car park business which is considered resilient and the earnings contribution from the car park operations is expected to deliver a sustainable return to the shareholders.

DIVIDEND POLICY

The Board of directors does not recommend any dividend for the financial year ended 31 March 2022. The Board of directors has not adopted a dividend payout policy.

Sustainability Statement

Sustainability is recognised as a fundamental component in the preservation of the Asian Pac Holdings Berhad's ("Asian Pac" or the "Company") future and has always been entrenched in the core businesses of the Group, comprising those of the Company and its subsidiaries. The Group is pleased to present its Sustainability Statement (this "Statement") for financial year ended 31 March 2022, which addresses what the Board of Directors (the "Board") of Asian Pac Group considers as the material economic, environmental, and social risks and opportunities, also known as sustainability matters, arising from the Group's business operations as well as those impacting the Group's operations, collectively known as the "Material Sustainability Matters", and how these Material Sustainability Matters are managed.

This Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa") and has considered the Sustainability Reporting Guide – 2nd Edition and its accompanying Toolkits issued by Bursa.

Unless otherwise stated, the scope in this Statement includes all the Group's key business segments, namely the Property Development Segment, Mall Operations Segment, and Car Park Operations Segment, which represent the Group's 3 main business segments.

Note that unless otherwise stated, this Statement only covers the Group's three (3) car park operations owned and managed by the Group in Kota Kinabalu ("KK") and does not cover one (1) car park operation in Kepong, and two (2) other car park operations in Kelana Square and Zenith Corporate Park for which the Group provides management services only.

Details of the operations of each segment are available in the "Highlights" Section and the "Management Discussion and Analysis" of this Annual Report FY2022.

GOVERNANCE STRUCTURE

The Group's business sustainability is spearheaded by the Board, who is primarily responsible for the overall sustainability performance of the Group by reviewing and adopting strategies which support long-term value creation taking into account economic, environmental and social considerations. With Board oversight, sustainability strategies are translated into effective initiatives which are implemented throughout the Group. The Board has delegated the following roles and responsibilities to the Audit and Risk Management Committee ("ARMC"):

- Providing oversight on the adequacy and effectiveness of the Group's sustainability management;
- Providing oversight on the adequacy and effectiveness of the Group's reporting processes; and
- Reviewing and ensuring that all material sustainability matters are considered throughout the Group's business operations.

However, the Board still maintains an active oversight function over the Group's economic, environmental and social sustainability initiatives which are the drivers of the Group's 3 main business segments.

As an additional measure to ensure effective implementation of the Group's sustainability initiatives, the Risk Management Working Committee ("RMWC"), which is helmed by key management personnel, has been tasked 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. Furthermore, the RMWC is entrusted with the following responsibilities:

- establishment of a sustainability framework;
- reviewing the adequacy of sustainability initiatives and processes;
- ensuring effectiveness in identification, evaluation, management, and reporting of Material Sustainability Matters; and
- monitoring and overseeing all sustainable strategies and initiatives of the Group.

The Managing Director ("MD") prepares the Group to further improve its year-on-year sustainability performance by actively engaging in aspects of governance, policies and procedures, providing sound decision-making and value-added input when needed. The MD also actively participates in the development of the Group's sustainability agenda encompassing all aspects of the business and includes addressing issues/shortfalls which were identified in previous years to better enhance the overall business strategy before making a recommendation to the Board.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

For the financial year under review, the RMWC members, together with relevant Senior Management and Management personnel, performed a review of the materiality assessment, reviewing the sustainability risks and opportunities taking into consideration the views of our stakeholders, both internal and external, as well as Management of our businesses.

In order to obtain an understanding of its stakeholders, we have identified and categorised its key stakeholders considering their influence and dependence on our businesses. Amongst others, key stakeholders identified include employees, customers and end-consumers, contractors, consultants and property managers, investors and shareholders, financial institutions and lenders, government agencies, law enforcers and regulators, and the media. With an objective to strategically engage with our key stakeholders, we have also reviewed our engagement approaches and methods with each of these key stakeholders. A brief summary of our key stakeholders, currently adopted engagement approaches and methods, and key focus areas with these key stakeholders are summarised as follows:

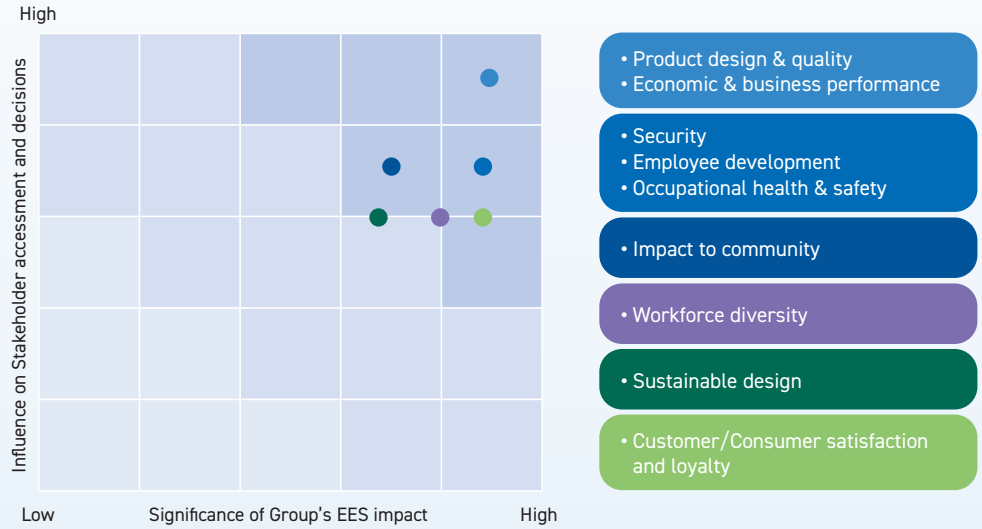
Key Stakeholder	Key Concerns	Method of Engagement	Frequency of engagement
Employees	Employee benefits & remuneration	Performance Appraisal	Annually
	Career development		
	Work efficiency & effectiveness	ISO 9001:2015 Quality Management Systems	Throughout the year
	Workplace safety and health	OSHA meetings 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	
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 Meetings Quarterly result announcement	Annually/ Quarterly
	Corporate Governance	Analysis and assurance briefings	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

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT (CONT'D)

Our review of its materiality assessment considers the following:

(i) the significance of the sustainability matter and its impact in relation to our businesses; and
(ii) how substantively the sustainability matter affects key stakeholders' assessments and decisions.

The materiality assessment review was conducted systematically, facilitated via a ratings-based assessment tool, to prioritise the sustainability matters based on their materiality. Our Material Sustainability Matters are presented in the following materiality matrix.



FY2022 MATERIALITY MATRIX FOR ASIAN PAC HOLDINGS BERHAD GROUP

The identified material sustainability matters are discussed thematically in accordance with the respective segments, as follows:

Theme	Asian Pac Group Material Sustainability Matters	Group-wide	Property Development	Mall Operations	Car Park Operations
Product and Service Quality	• Product and Service Quality • Customer/ Consumer Satisfaction and Loyalty • Economic and business performance	☑			
Sustainable Design and Practices	• Sustainable Design (Environmental and Social)		☑	☑	☑
Safety, Health, and Security	• Security • Occupational Health and Safety	☑			
Impact on Community	• Impact on Community	☑			
Employee Diversity and Development	• Employee Development • Workforce Diversity	☑			

PRODUCT AND SERVICE QUALITY

We are committed to delivering quality products and services in a timely manner, optimising value creation for our customers and delivering excellence.

Property Development

We place emphasis on the quality of our property development projects since the very beginning of the launch of every project. The Construction Industry Development Board ("CIDB") has established a Quality Assessment System in Construction ("QLASSIC") as a benchmark of workmanship quality of building construction work based on the Construction Industry Standards (CIS). Stringent quality checks as well as sampling and statistical analysis are performed at all stages of construction and finishing, including testing and commissioning of utilities, external and internal fittings, and aesthetic appeal that are packed in the comfort of a secure and well-built home. Our continuous efforts in value engineering materials used in property development also prove to accentuate our expertise in creating value for our homebuyers through the building of affordable yet quality housing.

Apart from the QLASSIC assessments, we have also conducted Pre-Delivery Inspections (PDI) which involves inspection of our properties by internal staff prior to handing them over to purchasers, clients and customers. Our in-house staff are required to check and ensure best industry practices are implemented. We learn from the defects of completed projects and pay particular attention to drive continuous improvement during the design stage in future projects.

We always target to adhere to our unit delivery schedule and maintain continuous communication with our homebuyers through our sales team on matters pertaining to delivery including updates on progress and to address any of our homebuyers' concerns. We endeavour to resolve all defect liability claims within 30 days from submission.

To this end, we have a process for the systematic reporting and monitoring of project development progress including bi-weekly progress tracking and regular quality checks as discussed above. We engage and communicate closely with project contractors to collaborate and work towards achieving quality development. Furthermore, understanding that the capability of contractors is a crucial determining factor for quality products and services, we perform stringent assessments and evaluations of our contractors before engaging them periodically to ensure the contractors meet our expectations.

Other initiatives we have put into practice include a dedicated team in place to oversee the ongoing management and maintenance of the ISO 9001:2015 Quality Management System ("QMS"). The team identifies, tracks and implements system changes in a timely and consistent manner for the benefit of project teams. Our projects also undergo multiple internal audits to ensure QMS compliance. All issues are further communicated to the Management Team for their awareness and use in monitoring project performance.

Mall Operations

Our mall operations segment operates Imago in KK, Sabah, which aims to position itself as an experiential mall, delivering quality services and experience at an international level. Our strategies include attracting quality tenants and shoppers to ensure a targeted positioning of the mall.

The mall operations have been certified to meet the standards of ISO 9001: Quality Management System and ISO 14001 Environmental Management Systems ("EMS"), demonstrating the ability and intention of the team to consistently provide professional quality service that meets international standards. In adhering to the stringent requirements of the standards which are audited on a regular basis by external, independent ISO auditors, we are able to continually monitor and manage quality across our operations to achieve consistently high performance and exceptional services.

We monitor a range of performance evaluation and assessment metrics to gauge the continuous performance of the mall, including for the short-term, medium-term and long-term, which include, amongst others, footfall and occupancy rate. Footfall measures the volume of mall visitors while occupancy rate measures the rate of tenant occupancy throughout the mall's lettable units. These performance metrics allow Imago to analyse and strategise its approach towards offering services and events that the shopper community needs and thereby creates shared value for all stakeholders.

Through these surveys and engagements, we keep track of our customers' and shoppers' satisfaction and listen to their views, comments, and suggestions. Continuous efforts have been put into maintaining close engagement with our customers and shoppers to enhance their visiting experience at Imago.

The COVID-19 pandemic has continued to affect the mall operations of the Group for almost the entire financial year. To support our business and tenant sustainability, we have continued to support our tenants by providing rental reliefs in the financial year ended 2022 and have renegotiated tenancy terms for every tenant to ensure we maintain a pool of quality tenants so that when we emerge from the COVID-19 pandemic recovery phase, we are in a strategically advantageous position to capitalise on pent-up consumer demand.

While our mall operations can only operate at reduced capacity during the Movement Control Orders ("MCOs") imposed by the Government to curb the pandemic, we have kept in touch with our consumers digitally. During the COVID-19 pandemic, our Marketing and Communications Team has shifted its focus from organising extravagant events to establishing a strong online presence via social media such as Facebook and Instagram. This allows us to maintain a continuous dialogue with our consumers and keep us engaged with our patrons.

Mall Operations (cont'd)

As an essential part of our sustainability agenda, we are always on the lookout for ways to support the local young entrepreneurs and the local brands in the retail mall environment. We are looking into dedicating a portion of retail mix to assist and support the local youth business community that will allow them to gain useful exposure and have a platform to build their own brands that will hopefully move on to a larger stage.

Car Park Operations

We own and operate three (3) car park sites located in KK, Sabah which are open to the general public from retail shoppers to office workers, tenants, and occupants to customers of a neighbouring hospital. The car park rates are regularly being monitored in order to be competitive while generating good revenue and profitability. Two (2) of our car park sites are located in the vicinity of Imago and hence are working closely with the mall operations to support Imago's overall business strategy and direction.

One of the key challenges for maintaining the quality of our car park, specifically our car park in Imago, is the traffic flow of the car park. As Imago is strategically located near a major, busy junction leading towards KK city centre, getting out of the mall during peak hours may become challenging, on top of the ever-increasing traffic volume of KK city. During peak hours, personnel are stationed at the key road exit point to direct and regulate traffic to facilitate smooth and safe traffic for visitors exiting Imago.

KK remains to be a fast-growing city in Malaysia and that has led to continuous expansion of the city's traffic volume. Imago will continue to maintain close engagement with the relevant authorities and professionals to improve the traffic conditions surrounding Imago and its car parks.

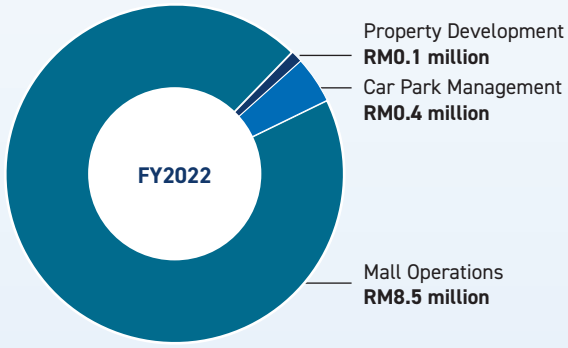
We also operate two (2) more car park sites in the Klang Valley ("KV") which are also opened to the general public. This signifies our expansion plan into car park operations and give us a strong foundation to build upon within the KV. We have successfully obtained our ISO 9001:2015 certification which bolsters the marketability of our car park operation services to prospective business partners.

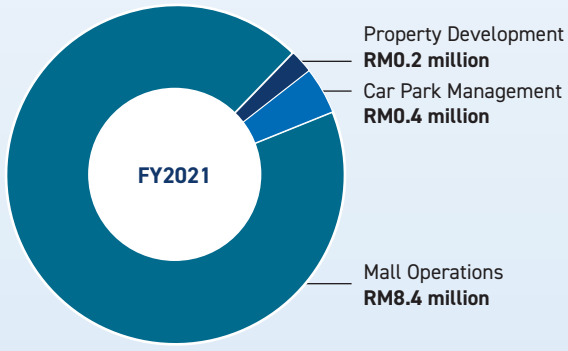
In order to create a more comfortable and secure environment for users, we only use LED lights in all our car parks. The LED light initiatives have been successfully implemented for all our car park operations, creating a comfortable environment for our car park users while achieving better energy efficiency, as well as creating better value creation for the resources we utilise.

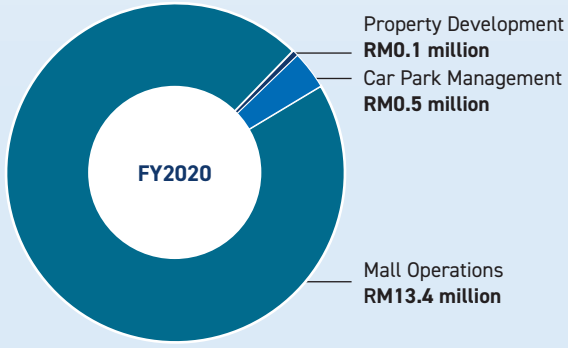
As part of our response to the COVID-19 pandemic, we have taken steps to ensure that our main commercial hub (i.e. Imago Mall) maintains a good mix of tenants so that we can capitalise on an influx of car park users when the commercial activities resume. We have also elected not to alter our parking rates so that we remain competitive within the segment.

SUSTAINABLE DESIGN AND PRACTICES

We integrate environmental and social considerations into our strategy as we believe that the balanced harmony between the environment, society, and our businesses, be it property units, mall, property management or car park operations, helps to create long-term value. As part of our commitment to developing a more environmentally friendly and conducive work environment, a work from home policy and various environmentally friendly business requirements have been implemented during the imposition of the MCOs to reduce the Group's overall carbon footprint. Our overall energy consumption is depicted below. Our electricity consumption during the financial year is consistent with the previous financial year despite the increase in overall operational activities with the gradual resumption of property development activities, resumption of normal operating hours at the mall and car park operations during the National Recovery Plan ("NRP") phase as we continue to optimise opportunities in a sustainable approach to improve operational efficiency.







Property Development

We aim to build sustainable green buildings by considering how environmental and social impacts can be reduced. We are diligent in the selection of building materials, placing emphasis on environmentally friendly building materials, such as using low-Volatile Organic Compound ("VOC") paint and reusable system formwork. Low-VOC paint produces less harmful organic emission and contributes to better indoor air quality in home units, enabling safer and healthier environment for occupants. On the other hand, the use of reusable system formwork aims to reduce construction waste produced from using timber formwork which commonly has a much lower reusability. In contrast, aluminium formwork also enables better finishing quality and construction accuracy, elevating the capability of the Group to develop quality housing and properties.

Sustainability from the aspects of environmental and social impacts is considered from design to construction. Such considerations are made from the beginning of the conceptualisation of project ideas, which also take into account economic conditions and demographics, and are carried out through close engagement and collaboration with our architects, quantity surveyors, contractors, and professionals engaged in the projects. The implementation and performance of sustainability initiatives and designs also form part of the focus of the bi-weekly progress tracking of projects.

The Group's projects incorporate sustainable designs and practices and it also works towards obtaining green certification, ie Green Building Index ("GBI") and Green Real Estate ("GreenRE") Certification for some of our projects. GBI and GreenRE both are industry-recognised rating tools widely used in Malaysia to assess sustainable development. The assessment criteria used for the certification include, amongst others, energy efficiency, indoor environmental quality, sustainable site planning and management, materials and resources use, water efficiency and innovation.

Our latest completed project Fortune Centra features a series of sustainably designs and technology which aims to, amongst others, enable efficient use of resources, such as water efficient landscaping and water efficient fittings to reduce water use and wastage and also regenerative drive lifts which reduce the electricity consumption as compared to conventional lift technologies.

Mall Operations

Inclusion

Imago aims to serve as an experiential mall that is inclusive and caters to all. Working together with the local authorities, we have designated disabled-friendly access for everyone to have access to our mall through our Ground Floor entrance.

Imago is designed to be a family-friendly mall. We have in place a modern nursery room complete with potable hot water, diaper changing facilities, private nursing rooms and waiting lounge for fathers. This is in support of breastfeeding mothers and provides them with a clean, safe and secure environment. It also has family toilets which provide better convenience for parents bringing their kids to the toilets.

With our tenants in mind, we have also established a Workers' Rest Area for our tenants and their staff. This is an initiative taken in the interest of our stakeholders where tenants and staff now have a place to rest during breaks and have meals. The resting area is equipped with microwaves, water dispensers and wash basins. Cognisant of the fact that we have a diverse community with different religious beliefs, we have also provided halal and non-halal microwaves.

Environment

Imago has been certified with ISO 14001: Environmental Management System on 27 May 2021. EMS enables operations to systematically consider and manage the Group's environmental responsibilities, impacts, and performance. The pursuit of the certification is a commitment to our belief in creating environmentally sustainable operations despite the delay caused by COVID-19 pandemic in 2019.

Imago is supportive of recycling programs and has implemented a few recycling programs during the financial year under review, such as the recycling of carton boxes. During the financial year under review, we have collected and recycled approximately 16,700 kg of carton boxes to certified recycling company, contributing to the preservation of limited resources and creating less waste.

In addition, we also have put in place processes to ensure scheduled waste is disposed of properly via licensed contractors.

Conserving Resources

Our operation in Imago actively seeks ways to reduce the consumption of resources, such as electricity, water, and gas. Electricity and energy represent a significant portion of Imago's operating cost as well as resource consumption. At Imago, the mall's lighting and air-conditioning systems are managed via a Building Automation System ("BAS") which is a computerised system for the centralised management of Imago mall environment, such as lighting, air-conditioning, ventilation, etc. BAS facilitates our monitoring of Imago's energy consumption trends and patterns, which enables us to identify opportunities to enhance energy efficiency or energy saving. Besides, Imago has also established an Energy Audit Committee which is guided by a clear and objective policy that intends to drive further energy-saving initiatives not only in the mall but equally in Imago's office environment as part of a joint-effort by everyone to bear their own environmental responsibilities.

Actives steps have been taken to promote more efficient use of resources. Some examples include using automatic sensor taps and flush systems in washrooms to reduce water usage, fine-tuning chillers to optimise comfort against electrical consumption, installing hand dryers to reduce the use of paper towels, installing door stoppers to minimise loss of air-conditioning and converting escalators to include motion-sensors to reduce the use of electricity and mechanical wear and tear.

Conserving Resources (cont'd)

The mall also actively supports environmental causes indirectly such as sponsoring venue spaces for Greenpeace Awareness and Fundraising Campaign to spread the awareness to the public to eradicate illegal dumping and prevent influx of plastic waste into Malaysia from other countries. Over the years, the mall has regularly observed and organised Earth Hour, an initiative by World Wildlife Funds, on the last Saturday of every March on a yearly basis to switch off non-essential lights for a minimum of one hour and we also encourage our tenants to participate.

Car Park Operations

Electricity cost is also one of the most significant operating expenses of our car park operations. In addition, we are aware that local electricity is mainly sourced from carbon-based fuel such as gas or diesel. As such, in view of enhancing better energy efficiency as well as preserving the environment and resources, we had achieved positive impact from both economic and environmental perspectives, as follows:

(i) **improvement in lighting quality** –a notable improvement in the lighting quality of our car parks. This includes having a brightly illuminated car park environment which provides for better security and more comfortable parking experience, especially in our Imago car park which was previously rather dim due to several faulty lighting systems;

(ii) **lower maintenance and replacement cost moving forward** – LED lights generally have much longer lifespan than other lighting systems, including fluorescent lamps which we had previously used, and with our car parks fitted with LED lights we are expecting significantly lower maintenance and replacement expenses moving forward; and

(iii) **cost-savings and greater energy efficiency** – LED lighting system is a more energy-efficient lighting system than the previously used fluorescent lighting system. Generally, we have also seen relatively lower electricity consumption in some parts of our car park operations, contributing to some cost-savings and more efficient use of resources.

Our car park operations have achieved certification of ISO Integrated Management System certification which will include ISO 14001: Environmental Management System.

As part of our commitment to ISO 14001, our teams from both our mall and car park operations continuously source for local materials, suppliers, and contractors where possible, to reduce potential transportation as well as to promote local economic growth. Other efforts include actively monitoring the energy management and waste management efforts of both operations to explore process improvements to achieve a low carbon and waste generation.

SAFETY, HEALTH AND SECURITY

The wellbeing of our stakeholders, such as our employees, contractors, customers, shoppers, etc., is of utmost importance to us as a socially responsible business. It is therefore important to ensure people, such as employees working with us, shoppers at our mall, consumers in our car parks, our homebuyers, etc., are provided with a safe and healthy environment when they are at our property.

As part of the Group's commitment to the safety, health and security of its stakeholders in combatting the COVID-19 pandemic, we have spent RM70,000 on face masks, sanitizers, sanitization services, testing etc. for the financial period under review. The Group has also partaken in the following events and initiatives to solidify its commitment to the safety, health and security of its stakeholders and curbing the impact of the COVID-19 pandemic:

(i) Distributing face masks to the public using Imago Mall as the platform for distribution;
(ii) Supplying all employees with a constant supply of face masks;
(iii) Placing sanitizers at strategic locations throughout the Group's various business premises;
(iv) Increasing the frequency of sanitization of the Group's various business premises;
(v) Promoting and advocating good hygiene practices within the Group's various business premises; and
(vi) Organising on-site COVID-19 testing.

Property Development

Arising from the COVID-19 pandemic and multiple phases of MCOs and NRP measures during the financial year under review, we have put on hold all of our planned project launches until the end of 2021 when Phase 1 of Rimba Hills shop offices was launched in December 2021 and followed by Phase 2 of Rimba Hills townhouses in January 2022. The pandemic has further reinforced our emphasis on sustainability efforts. To support the operational continuity in a safe and sustainable manner, we ensure all COVID-19 health and safety standard operating procedures as recommended by the various government ministries are adhered to in our day-to-day operations.

We are aware that the Group's products have a direct impact on the safety and health of our homebuyers and tenants of our property units as they live and stay in the Group's development. As previously discussed, we take into account environmental and social aspects beginning from the design process of a property development project and that includes ensuring compliance with national and local design and building safety standards and codes, including, amongst others, the Uniform Building By-Laws 1984 and the Occupational Safety and Health Act 1994.

Furthermore, we also place particular emphasis on indoor air quality which affects the health of occupants staying in the property units. It is common that indoor air quality may be found to be worse than outdoor air quality due to emission of hazardous chemical from paint or glue used in wall fishing, flooring, and even furniture. We are careful in our selection of materials used as interior finishing so as to provide healthier and safer indoor air quality through its property units. Paint is widely used as finishing in our property units and we are conscious of the health risk of using paint with high levels of VOC which may cause symptoms such as headaches and dizziness as well as long-term negative impacts on the human body when exposed to it in the long term. In order to address this, the Group has established a policy to use low-VOC paint in our property development projects.

The construction of our property development projects is undertaken by contractors and subcontractors. Nevertheless, in our supply chain management, we perform stringent assessments on the selection of our contractors/ subcontractors and require them to ensure compliance with the law and regulations, especially pertaining to workers' safety and public safety such as ensuring contractors and their workers have valid CIDB Green Cards and against any illegal workers.

Occupational and product safety and health in the property development segment is communicated throughout our engagement with the relevant stakeholders, such as consultants, architects, and contractors. Regular quality checks conducted by the Group also consider if building safety standards and codes are met and if materials used are in accordance with those specified by the Group. In addition to that, contractors' performance of their management of occupational safety and health risk during construction is required to be reported in the bi-weekly progress tracking reports.

Mall Operations

As a publicly accessible destination, Imago can be highly susceptible to safety and security risks. Being aware of this, we have collaborated with the Royal Malaysia Police to open a Police Beat Office within the mall premise. This does not only serve as a local contact point with the police force for the local community, but it also creates an additional window for tourists in the mall to make inquiries. We believe that the collaboration provides added security to our shoppers and tourists and allows them to have their activities around Imago with a greater sense of security.

Our security team undergoes regular drills and training, preparing them to respond to various sorts of emergency situation. The financial year under review also saw our security team undergoing 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 create a safe environment for our employees, our tenants, and our customers.

We are also in the process of building our auxiliary police force with our security team which will allow our team to undergo security training according to Royal Malaysia Police standards. With our own auxiliary police force, we will be able to further enhance the robustness of our mall security.

Furthermore, regular fire drills in collaboration with the local Fire Department (BOMBA) are conducted along with emergency-response drills that encourage the participation of tenants and their workers to ensure that they are knowledgeable with basic safety and emergency responses.

Car Park Operations

The disclosure of this section generally covers all our car park operations, i.e. those we own and manage in KK and at Kepong, and those managed by the Group at, Kelana Square and Zenith Corporate Park, unless specifically stated otherwise.

Similarly, to maintain a secure car park environment, we have put in efforts to enhance and upgrade the lightings of our car parks and maintain regular patrolling of the car parks by our internal security teams.

For our car park operations in KK, the enhanced lighting conditions of our car parks provide a more comfortable and secure environment for users. In addition to that, our car parks are equipped with panic buttons at appropriate locations and we also have designated ladies-only parking spots in Imago.

IMPACT ON COMMUNITY

Property Development

We recognise the impact it may cause to the surrounding community of its project sites and buyers of the property. One of the more significant impacts of our property development activities is the nuisance created by the construction activities to the local community, which may include dust and noise pollution.

To address this, we, through our contractors/ subcontractors, have undertaken various efforts to minimise the impact, including regular cleaning and watering construction site entrances to reduce air borne dust and constant reminders to truck drivers to reduce and limit the speed of their vehicles on site. We also require our contractors/ subcontractors to perform work strictly in accordance with the regulations and guidelines of the authorities, including working within the permitted hours to prevent disruption of the livelihood of the surrounding community.

At the same time, we also work closely with the authorities and obtains feedback and complaints from representatives of the community to address any arising issues.

Property Development (cont'd)

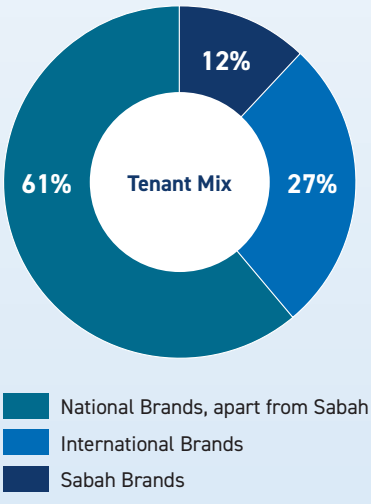
Where waste management is concerned, at the construction site, we take measures to reduce and manage waste in a responsible manner by ensuring appointed licensed contractors adhere to the same. Besides installing silt traps to minimise silt discharging into waterways, all wastes generated from project sites are either sent to recycling centres or transported to designated disposal sites timely and efficiently to minimise disruption to the daily lives of the community.

During the financial year under review, apart from issues pertaining to nuisance on which the Group had worked on resolving with authorities and the community, we had not received any other significant complaints on negative impacts arising from our property development activities.

Mall Operations

Imago encourages the development of businesses by locals in order to promote development of economy at the local business community level, which leads to generation of local wealth that hopefully will subsequently circulate within the local community and elevates local livelihood quality to an international standard. It is also with this intention we have created "Heritage", which is a food and beverage section where local food hawkers have a chance to be part of the modern retail environment.

In support of local businesses, our tenanting strategy considers a mix of luxury and bridge brands and national and local brands. As at 31 March 2022, our tenant mix, in terms of retail space, comprises the following:



We view Imago as a destination that brings people together, including bringing family members closer together, bringing in tourists from different countries and cultural background as well as introducing and promoting local cultures to the international communities.

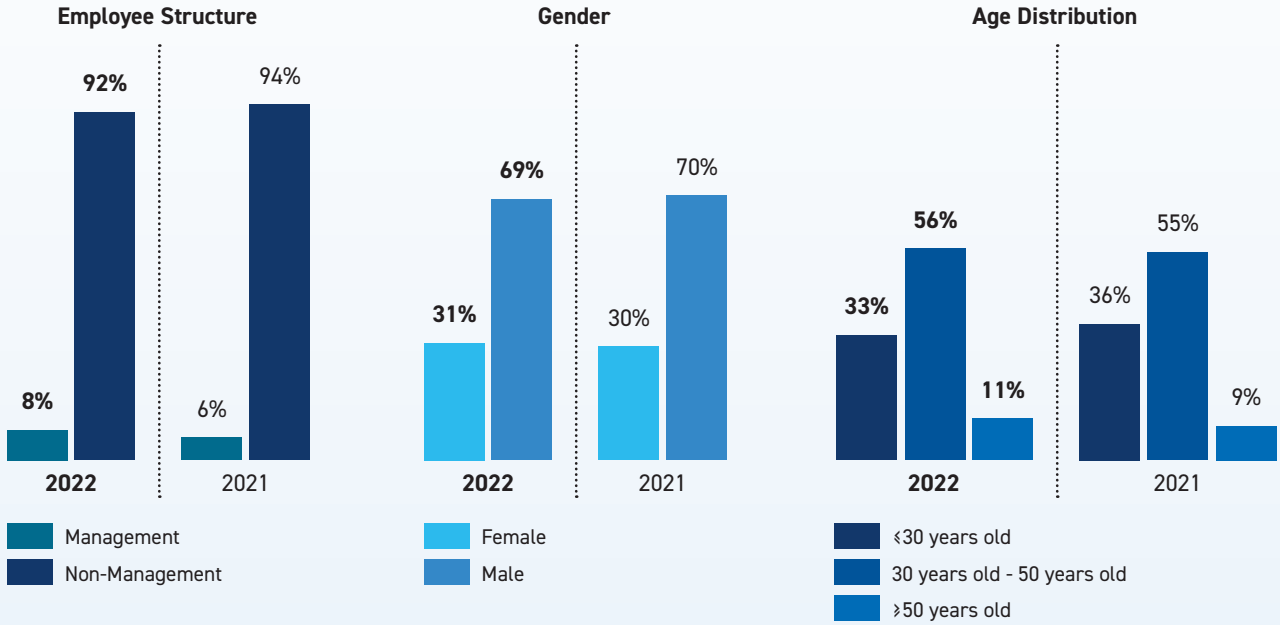
Imago incorporates local and regional celebrations and festivities, such as Pesta Kaamatan (Harvest Festival), permanently into its events calendar. At our own cost, we have also introduced a permanent local cultural dance program performed by locals which run daily to introduce local cultures to shoppers in the mall, which include international tourists from countries such as China and South Korea, thereby introducing the culture of local indigenous people to the world. Through our events at Imago, we celebrate local cultures and festivals together with our customers from local and overseas. Furthermore, we reach out to the community via a hybrid of platforms including online and social media as well as physical event space.

For the financial year under review, we focussed on helping those in the community who were largely affected by the COVID-19 pandemic. As such, we hired individuals who were negatively affected by the pandemic within the tourism industry to perform part-time work at Imago. We also organized a COVID-19 pandemic. As part of our social responsibility in combatting the COVID-19 pandemic, we also used Imago to provide food and supplies to frontline workers.

EMPLOYEE DIVERSITY AND DEVELOPMENT

We are supportive of equal opportunity and believe in meritocracy. In considering candidates for hiring and assessment of current employees, we do not discriminate on the basis of background, gender or race.

Details of the Group's employment demographics as at 31 March 2022 are as follows:



At the end of the financial year, the Group has a total workforce of 377. A significant portion of our workforce is based in Sabah, which has a population with rich and blended cultural backgrounds. We do not actively identify or group its workforce by ethnicity or cultural background. The Group's merits-based approach towards employment has helped to provide equal opportunities to all and has helped to build a diverse workforce reflecting the rich cultural diversity of the local demographics, creating an opportunity for the transfer of not only knowledge and experience but also of culture and tradition.

Imago itself has created more than 2,000 job opportunities for the local community, including those employed by us and job opportunities across Imago's value chain, such as in the businesses of Imago's tenants. With non-stratified retail management being a relatively new concept in Sabah pioneered by Imago, the operation workforce is generally young with a good spread from fresh graduates to experienced seniors.

We are mindful of the need to constantly upskill our workforce and treat our employees fairly by providing equal opportunities to all for personal and career enhancement. We identify the talents and skills required to drive the Group toward meeting its corporate objectives, and at the same time, we engage with employees to identify whether such talents and skills need further enhancement within our workforce. We continuously invest in developing employees from all aspects including functional development, leadership, soft skills, occupational safety and health, as well as the development of relevant laws and applications.

For the financial year under review, despite the prolonged impact of the COVID-19 pandemic and resultant MCOs, we have continued to upskill our employees at all levels through more than 650 hours of relevant training sessions as part of our initiatives to promote sustainable long-term development growth within the Group's business operations.

We also recognise the value of dedicated and long-serving employees, acknowledging that their dedication, loyalty, and contribution throughout the years have made us what we are today. We provide financial incentives to reward long-serving employees for completing 10 years of service within the Group and subsequently every 5 years thereafter. For the financial year ended 31 March 2022, we have presented 9 employees who have been with the Group for 10 years or more with its Long Service Award.

SUSTAINING OUR FUTURE

It is more important than ever that, in the environment and society that we live in today, we conduct our business sustainably, and take care of our economy, our environment, our society and people. The Board, via the Group's established processes for managing the business sustainably, will continue to provide leadership to steer the Group to achieving sustainable growth and creating shared value to its stakeholders.

Corporate Information

BOARD OF DIRECTORS

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

Managing Director
Dato' Mustapha Bin Buang

Independent Non-Executive Directors
Datuk Mohamed Salleh Bin Bajuri
Mr Sherman Lam Yuen Suen
Mr Chai Yee Choong *(Appointed on 1 June 2022)*
Ms Soon Dee Hwee *(Resigned on 5/7/2022)*

Non-Independent Non-Executive Director
Ms Tan Siew Poh *(Retired on 29/9/2021)*

Executive Director
Dr Yu Tat Loong

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Mohamed Salleh Bin Bajuri *(Chairman)*
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas
Ms Tan Siew Poh *(Retired on 29/9/2021)*
Ms Soon Dee Hwee *(Resigned on 5/7/2022)*
Mr Sherman Lam Yuen Suen

REMUNERATION COMMITTEE

Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas *(Chairman)*
Datuk Mohamed Salleh Bin Bajuri *(Appointed on 25/11/2021)*
Ms Tan Siew Poh *(Retired on 29/9/2021)*
Ms Soon Dee Hwee *(Resigned on 5/7/2022)*
Mr Chai Yee Choong *(Appointed on 12/7/2022)*

AUDITORS

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

SHARE REGISTRAR

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

NOMINATION COMMITTEE

Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas *(Chairman)*
Datuk Mohamed Salleh Bin Bajuri *(Appointed on 25/11/2021)*
Ms Tan Siew Poh *(Retired on 29/9/2021)*
Ms Soon Dee Hwee *(Resigned on 5/7/2022)*
Mr Chai Yee Choong *(Appointed on 12/7/2022)*

SECRETARIES

Ms Chan Yoon Mun, ACIS
MAICSA 0927219/SSM PC No: 202008000391
Ms Ooi Mei Ying, ACIS
MAICSA 7051036/SSM PC No: 202008000797

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Website: www.asianpac.com.my

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

Directors' **Profile**

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

Chairman/Independent Non-Executive Director
Malaysian, Male, Aged 78

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

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

He was appointed Executive Committee Member of the Federation of Public Listed Companies Berhad (FPLC) in August 1994 and elected President in October 1997. He represents this organization to the High Finance Committee of the Ministry of Finance. Further, he was also one of the first members of the Management Committee of the Malaysian Institute of Corporate Governance (MICG), and was elected President in April 1998 till 2015 and currently its Honorary Patron. In addition, he was appointed as a member of the National Economic Consultative Council 2 (NECC 2) by the then Prime Minister, where he was involved in the Human Resource Development Committee. In September 1999, he was appointed to the Capital Market Strategic Committee by the then Finance Minister and in August 2001, he was appointed as a member of the Corporate Debt Restructuring Committee (CDRC) of Bank Negara. He was on the Listing Committee of the then KLSE for nearly ten (10) years. He was member of the Advisory Board of the Malaysian Anti-Corruption Commission ("MACC").

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

Tan Sri Dato' Seri Hj Megat Najmuddin also holds directorship in SEG International Bhd, Sime Darby Plantation Berhad and Farm Fresh Berhad. He is the chairman of the said listed entities.

Tan Sri Dato' Seri Hj Megat Najmuddin attended all seven (7) board meetings which were held in the financial year ended 31 March 2022.

DATO' MUSTAPHA BIN BUANG

Managing Director
Malaysian, Male, Aged 74

Dato' Mustapha Bin Buang is the Managing Director of the Company. He first joined the Board as a Non-Executive Director on 14 October 1994.

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

Currently, he is the Chairman of Bank Pertanian Malaysia Berhad.

Dato' Mustapha attended all seven (7) board meetings which were held in the financial year ended 31 March 2022.

DATUK MOHAMED SALLEH BIN BAJURI

Independent Non-Executive Director
Malaysian, Male, Aged 71

Datuk Mohamed Salleh Bin Bajuri was appointed as an Independent Non-Executive Director of the Company on 1 March 2019. He is also the Chairman of the Audit and Risk Management Committee of the Company. He was appointed as a member of Nomination and Remuneration Committees of the Company on 25 November 2021.

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

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

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

- Alternate Chairman of the Association of Finance Companies in Malaysia (AFCM) from 1982 to 1987;
- Chairman of the AFCM Committees for Education and Public Relations from 1982 to 1987;
- Director of Saham Sabah Berhad from 1997 to 1999;
- Trustee for Tabung Anak-Anak Melayu Pontian from 1995 to 2006;
- Yayasan Kebajikan SDARA from 1997 to 2002; and
- Chairman of Agro Bank Malaysia from 2008 until June 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. He is also a Director of Eden Inc. Berhad and Inch Kenneth Kajang Rubber Public Limited Company, all public companies listed on Bursa Malaysia Securities Berhad.

Datuk Salleh attended all seven (7) board meetings which was held in the financial year ended 31 March 2022.

DR. YU TAT LOONG

Executive Director
Malaysian, Male, Aged 46

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 in Engineering (BEng) in Civil Engineering from the University of Bath, England, before proceeding directly to obtain his Doctorate of Philosophy (PhD) from University of Cardiff, Wales, with his postgraduate research on optimisation of aerospace structures using heuristic algorithms. He is a member of The Royal Institution of Chartered Surveyors (MRICS) as well as a member of The Institute of Enterprise Risk Practitioners (INSTERP) and is a certified Enterprise Risk Manager (ERM) specialising in the practice of risk management in organisations.

He has over 15 years of professional experience in real estate development and management projects in China and Malaysia, and possesses vast experience in design, planning and construction of real estate. He also has overall operational management experience in leasing, marketing, and facility management of retail, commercial, hospitality and car parks. He currently manages assets in current value worth more than USD1.0 billion combined. He has also successfully achieved ISO 9001 Quality Management Standard certifications for operations, winning several International Property Award (IPA) for real estate developments, amongst others various accolades.

Dr. Yu attended all seven (7) board meetings which were held in the financial year ended 31 March 2022.

MR SHERMAN LAM YUEN SUEN

Independent Non-Executive Director
Malaysian, Male, Aged 49

Mr Sherman Lam Yuen Suen was appointed to the Board of the Company as an Independent Non-Executive Director on 2 January 2019. He is also a member of Audit and Risk Management Committee of the Company.

Sherman started his career with Fulton Prebon (M) Sdn Bhd, a financial services subsidiary of Seacorp (a PNB company) in 1994. Thereafter, he joined Utama Merchant Bank Berhad, (an investment bank jointly owned by Utama Banking Group Berhad and HSBC Investment Bank Asia Ltd) in 1997, as its Chief Dealer and Treasury Manager. In 2000, he joined Nikkei Pacific Corporate Advisors, a regional corporate finance advisory firm as an Associate Director where he advised on several large corporate restructuring and capital raising exercises in Indonesia and Malaysia. Currently, he is the Managing Director of Cirrus Ventures, a private equity and corporate strategy consulting firm operating in the APAC region. Sherman has previously served on the Board of Directors of Bintai Kinden Corporation Berhad from 2010 to 2013, as an Independent Non-Executive Director and Member of the Audit Committee and Nomination Committee.

Sherman holds a Master's Degree in Business Administration (Finance) from Charles Sturt University, Australia. He is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow of the Chartered Institute of Management Accountants of UK, a Fellow of CPA Australia, a Member of the Institute of Corporate Directors Malaysia, a Chartered Member of the Institute of Internal Auditors Malaysia and a CFP™ certified member of the Financial Planning Association of Malaysia.

Mr. Sherman also holds directorship in Hiap Teck Venture Berhad and Gadang Holdings Berhad, public companies listed on Bursa Malaysia Securities Berhad.

Mr. Sherman attended all seven (7) board meetings which were held in the financial year ended 31 March 2022.

MR. CHAI YEE CHOONG, CFA

Independent Non-Executive Director
Malaysian, Male, Aged 51

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 and Remuneration Committees on 12 July 2022.

He is currently a founding partner of Frontpage Capital Limited, a boutique investment bank licensed as a sponsor by Securities and Futures Commission, Hong Kong. Prior to founding Frontpage Capital Limited, he was a director at TC Capital Finance Group, a financial advisory and asset management firm in Hong Kong, and a senior associate at Evolution Watterson Securities Limited in Hong Kong, a subsidiary of Evolution Group plc, a UK based investment bank group.

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.

For the financial year ended 31 March 2022, there was no Board Meeting attended by Mr. Chai as he was appointed on 1 June 2022.

Senior **Management's Profile**

MR CHANG TZE YOONG

Senior General Manager, Property Division
Malaysian, Male, Aged 45

Mr Chang Tze Yoong has 22 years of experience in the property development industry. He holds a Master's Degree in Business Administration (International Business) from the University Putra Malaysia and a Bachelor's degree in Civil and Structural Engineering from the National University of Malaysia. He began his professional career as an engineer involved with the 600ac township development of Pantai Sepang Putra. He was also the Unit Profit Centre Manager in the Property Development Division of Sunway Berhad which he worked for 11 years. Over the course of his career, he was involved in property development projects ranging from master planned townships and integrated developments with retail, commercial and residential. Prior to joining Asian Pac Group in August 2018 as the Senior General Manager, Property Division, he served as the Head, Project Technical of Mah Sing Group Berhad for 2 years.

MR LOH KAH VOON

General Manager, Project Division
Malaysian, Male, Aged 52

Mr Loh Kah Voon has 26 years of experience in the property development industry in Malaysia and China market. He holds a Bachelor's degree in Civil and Structural Engineering from University of Malaya. He began his professional career as civil and structure design engineer for more than 5 years and later he was responsible for the entire site management of the 468ac township development at Taman Putra Prima as Site Engineer for 2 years. He was also the Project Manager for the development of high-end semi-detached houses, bungalows and condominiums project for Plenitude Group for around 4 years. Prior to joining Asian Pac Group in December 2020 as General Manager, Project Division, he served as the Project Director and General Manager for a few developments in China for a duration more than 10 years. The developments he involved in China were 13 acres of prestige residential development at Shanghai under Wing Tai Asia Group, 27 acres mixed development at Shenyang and 33 acres of landed houses and high-rise condominiums development at Sino-Singapore Tianjin Eco City under Keppel Group.

MR WONG YEE KEAN (KEN)

Financial Controller
Malaysian, Male, Aged 49

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.

MR TANG FOH KIONG (GARREN)

General Manager, Facility Services Management
Malaysian, Male, Aged 65

Garren Tang has over 18 years of experience in Facility Management Services that includes; 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.

He is currently the General Manager for Facility Services Management and his portfolios covers both the Property Management Services and the Carpark Operation Services. Prior to joining Asian Pac Group in March 2020, Garren has held several senior positions with most recently as Head of Portfolio Management Division under the Naza Group where over 200 of its properties across Malaysia rolled under his portfolio. He was the Associate Director with Cushman & Wakefield Group Malaysia (previously DTZ Group), heading the property and facility management services division where he oversees the commercial and residential property management services that includes projects such as; THE INTERMARK KL (Blackrock Group), AMD GROUP, AMANARAYA REITS, AFINITI MEDINI (JB), MENARA STANDARD CHARTERED (AIA Group), KL TRILLION, THE SUMMIT SUBANG, BINJAI ON THE PARK, ZEVA RESIDENCE (Trinity Group) and AMERA RESIDENCE (Simas-D Group).

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 KL areas as the shopping haven hub for the foreign and local tourists.

Garren holds a degree in Bachelor of Commerce and is a registered and certified property manager with The Board of Valuers, Appraisers and Estate Agents Malaysia and has detail knowledge of the Strata Titles Act 2013 and Building and Common Property (Management and Maintenance) Act 2007. He is also frequently engaged to conduct and facilitate the Annual General Meeting for the Joint Management Body and Management Corporation.

MR GOH CHIN WAI (ANDREW)

General Manager, Legal
Malaysian, Male, Aged 46

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 Asian Pac Holdings Berhad 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:

Save as disclosed above, none of the Directors and Senior Management have:
- *Family relationship with any Director and/or substantial shareholder of the Company;*
- *Conflict of interest with the Company; and*
- *Conviction for offences (other than traffic offences) within the past 5 years.*

Corporate Governance
Overview Statement

The Board of Asian Pac Holdings Berhad ("Asian Pac" or "the Company") acknowledges the importance of practicing good corporate governance and remain committed to maintaining the following principles as set out in the Malaysian Code on Corporate Governance ("MCCG or "CG Code"); in ensuring that good corporate governance practices are observed throughout the Group with integrity, transparency and professionalism to protect and enhance stakeholders' value whilst pursuing the continuous and sustainable growth of the Group:

(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

Presently, the Board is of the view that the Company has in all material aspects satisfactorily complied with the principles and practices set out in the CG Code. Details of the application are summarized as below:

Applications	Total	Applied	Departure	Adopted	Not Adopted	Not Applicable
Recommended Practices	43	35	7	-	-	1
Step-Ups	5	-	-	2	3	-

As at 31 March 2022, Asian Pac applied 35 out of the total 48 Recommended Practices (including 5 Step-ups) in the MCCG. The Board noted the gap and identified a few areas to be focused on to achieve a higher standard of corporate governance practices.

The Board is pleased to present this statement supported by the Corporate Governance Report ("CG Report") which is accessible online on the Company's website, www.asianpac.com.my. The CG Report provides the details on how Asian Pac Group has applied the three (3) abovesaid principles outlined in the MCCG during financial year ended 31 March 2022 ("FYE 2022") as well as the departures from the abovementioned practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Responsibilities

Board Roles and Responsibilities

The Board recognizes the key role it plays in charting the strategic direction of the Company in discharging its fiduciary and leadership functions as set out in the Board Charter. The Board's roles and responsibilities, amongst others, are as follows:

- Review and adopt strategic plan and annual budget for the Group.
- Oversee the conduct of the Group's business to evaluate whether the business is being properly managed.
- Identify principal risks and ensure the implementation of appropriate systems to manage these risks.
- Succession Planning including appointing, reviewing the retention or replacement of Board members, Managing Director/Executive Director and Senior Management.
- Review the adequacy and the integrity of the Group's internal control systems and management information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Review the statement in respect of financial statements to give a true and fair view of the state of affairs of the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part I – Board Responsibilities (cont'd.)

Board Roles and Responsibilities (cont'd.)

The Key Roles of the Board are as follows:

Role	Key Responsibilities
Chairman	Preside over meetings of Directors and ensure efficient organization and conduct of the meeting for the smooth functioning of the Board in the interest of good corporate governance.
Managing Director ("MD")	Develop and execute the Group's strategies in line with the Group's direction. Oversee the operations and drive the Group's business and performance together with the Executive Director.
Executive Director ("ED")	Oversee the day-to-day operations and management within his assigned responsibilities; and liaises frequently with the MD and leads the Management to drive the Company and the Group forward.
Non-Executive Directors	Monitor and oversee Management's conduct in running the business while bringing their expertise and wisdom to bear on the decision-making process.

Separate roles of Chairman and MD

The roles and responsibilities of the Chairman and MD are clearly separated and distinct to ensure that there is a balance of power and authority. The Chairman leads the Board by setting the tone at the top, and the MD managing the Board's effectiveness by focusing on strategy governance and compliance.

Code of Ethics and implementation

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

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

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

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

Access to information and advice

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

Notices of Board/Board Committees Meetings are sent to the Directors electronically 7 days in advance and the Board papers are made available at least 5 days before the meeting is held, except in the case of an emergency, where reasonable time would suffice. This enables the Directors to have sufficient time to solicit further explanations and/or information, where necessary, so that deliberations at the meeting are focused and constructive.

The Board papers include meeting minutes which reflects the deliberations and decisions of the Board, updates on financial, operational and corporate developments of the Group. Board papers are also presented with details on other issues that may require the Board's deliberation which inter alia, include the approval of corporate plans, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part I – Board Responsibilities (cont'd.)

Access to information and advice (cont'd.)

The Chairman of the Board Committees namely the Audit and Risk Management Committee, Remuneration Committee ("RC") and Nomination Committee, brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees.

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

Qualified and competent Company Secretaries

The Company Secretaries are suitably qualified and competent, as they are members of the professional bodies prescribed by the Minister of Domestic Trade & Consumer Affairs and are qualified under Section 235(2) of the Companies Act 2016. The key roles of the Company Secretaries are to provide unhindered advice and services to the Directors, as and when the need arises to enhance the effective functioning of the Board and to ensure regulatory compliance. The Company Secretaries update the Board on any changes or amendments to the Companies Act 2016, Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, Capital Market & Services Act and other relevant regulatory requirements. The Company Secretaries also monitor the corporate governance development and assist the Board in applying the corporate governance practice.

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

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

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

Board Charter

The Board Charter which outline the Board's roles and responsibilities was adopted by the Board on 25 May 2016. The Board will periodically review and update the Board Charter in accordance with the needs of the Company and new regulations that may have an impact on the discharge of the Board's responsibilities in ensuring its effectiveness and consistency with the Board's objectives.

The Board Charter was last reviewed in November 2020 and is available on the Company's website, www.asianpac.com.my.

Part II - Board Composition

Composition of the Board

The Board presently consists of six (6) members; comprising a MD, an ED and four (4) Independent Non-Executive Directors. The Board fulfills the prescribed requirements for one-third (1/3) of the membership of the Board to be Independent Directors as regulated by Bursa Securities; and also fulfil the Practice 5.2 of the CG Code, at least half of the Board comprises Independent Directors. In the event that the number of Independent Directors is reduced below two (2), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of two (2) Independent Directors.

The Board is helmed by effective and experienced directors consist of individuals with caliber and credibility from diverse professional backgrounds with a wealth of experience, skills and expertise specializing in areas such as finance, corporate affairs, legal, leasing, marketing and assets management. A brief profile of each Director is presented in the Profile of Directors' section of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part II - Board Composition (cont'd.)

Composition of the Board (cont'd.)

Tenure of Independent Director and Shareholders' Approval for Retention of Independent Director

As at the date of this statement, the tenure of Independent Non-Executive Directors of the Company is as follows:

Tenure	Years		
	<1	2-9	>9
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas			√
Datuk Mohamed Salleh Bin Bajuri		√	
Mr Sherman Lam Yuen Suen		√	
Mr Chai Yee Choong	√		

The Board noted the Practice 5.3 of the CG Code which states that the tenure of an independent director shall not exceed a cumulative term limit of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director.

The Company does not have tenure limit for independent directors. The Board is of the view that the ability of long serving independent director to remain independent and to discharge their duties with integrity and competency should not be measured solely or arbitrary by the tenure of service. Their long service should not affect their independence as they are independent-minded and they continue to provide the necessary checks and balances in the best interest of the Company. The independent director has provided an undertaking to Bursa Securities since his appointment confirming and declaring that he is "independent director" as defined under paragraph 1.01 of the Bursa Securities Listing Requirements.

Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas ("Tan Sri Dato' Seri Hj Megat Najmuddin") had served the Board for more than nine (9) years. The Board, after considering the recommendation of the Nomination Committee, resolved to retain Tan Sri Dato' Seri Hj Megat Najmuddin as Independent Director as he has vast experience in a diverse range of businesses that provide a constructive and independent judgement in the best interest of the Group. In addition, he provides check and balances in Board proceedings and has retained independence of character and judgement and has devoted sufficient time and attention to his responsibilities as Independent Director and exercise due care in the interest of the Group as well as its shareholders.

The resolution for the retention of Tan Sri Dato' Seri Hj Megat Najmuddin as Independent Director of the Company be tabled for shareholders' approval through 2-tier voting process at the forthcoming 104th Annual General Meeting ("AGM") of the Company. A brief profile of Tan Sri Dato' Seri Hj Megat Najmuddin is presented in the Profile of Directors' section of this Annual Report.

Nomination Committee

The Nomination Committee ("NC") established on 29 May 2002, is charged with the responsibility of, amongst others, recommending the appointment of new directors to the Board, annual evaluation of the directors and Board Committees and recommending the retiring director for re-election based on the Constitution of the Company as outlined below. The members comprise Non-Executive Directors of the Board and are guided by clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection and evaluation of Directors.

On 1 June 2022, Mr Chai Yee Choong ("Mr Chai") was appointed as an Independent Non-Executive Director of the Company. He was then appointed as a member of NC and Remuneration Committee on 12 July 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part II - Board Composition (cont'd.)

Nomination Committee (cont'd.)

Pursuant to Clause 23.4 of the Constitution of the Company, one-third (1/3) of the Directors for the time being shall retire from office every year and all directors shall retire at least once in every three (3) years. In addition, the retiring Directors shall be eligible for re-election at the AGM.

During the financial year under review, the NC held two (2) meetings which were attended by all its members. On 26 May 2022, the NC reviewed and assessed amongst others:

(i) the effectiveness of the Board as a whole, the Board Committees notably the ARMC, NC and Remuneration Committee;
(ii) the required mix of skills, experiences, other requisite qualities including core competencies and gender diversity of the Board;
(iii) the contribution and performance of each Director;
(iv) the independence and the tenure of Independent Directors;
(v) Directors' Education Programmes for FYE 2022;
(vi) Directors' Fit and Proper Policy;
(vii) Revised Terms of Reference of NC;
(viii) Service Contract renewal for the MD;
(ix) The nominated potential candidate as additional member of the Board; and
(x) recommended the following directors for re-election at the forthcoming AGM as below:

- Dato' Mustapha Bin Buang - pursuant to Clause 23.4 of the Constitution of the Company
- Datuk Salleh - pursuant to Clause 23.4 of the Constitution of the Company

Apart, the NC had vide its Circular Resolution dated 5 July 2022, recommended to the Board for the re-election of Mr Chai Yee Choong, the newly appointed Independent Non-Executive Director at the 104th AGM.

- Mr Chai Yee Choong – pursuant to Clause 23.3 of the Constitution of the Company

That they had expressed their intentions to seek for re-election at the 104th AGM.

Self-evaluation had been conducted by each individual Director of the Company including the Independent Directors and a summary of evaluation was furnished to the NC prior to the NC Meeting. The same would be shared with the Board to allow enhancement to be undertaken.

Based on the assessment carried out for the financial year ended 31 March 2022, the Board is satisfied with the level of independence demonstrated by all Independent Directors and their ability to act in the best interests of the Company. All assessments and evaluations carried out by the NC in discharging their duties are documented in the minutes of meetings.

Boardroom Diversity

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity. The Group practices the selection of suitable candidates as new Board members based on the candidates' competency, knowledge, skills, experience, character, time commitment and other qualities in meeting the needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates could bring to the Board, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

Following the retirement of Ms Tan Siew Poh at the 103rd AGM held on 29 September 2021 and resignation of Ms. Soon Dee Hwee on 5 July 2022, there is no women participation on Board. The Board will try its best endeavour to fill the woman director vacancy latest by 1 June 2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part II - Board Composition (cont'd.)

Time Commitment

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

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

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

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. All the Directors had attended more than 50% of the attendance as required by Bursa Securities Listing Requirements.

The attendance of individual Directors for the meetings of the Board and Board Committees during the year under review are outlined below:

Directors	Board	ARMC	NC	RC
Tan Sri Dato' Seri Hj Megat Najmuddin	7/7	6/6	2/2	1/1
Dato' Mustapha Bin Buang	7/7	Non member	Non member	Non member
Datuk Mohamed Salleh Bin Bajuri	7/7	6/6	Note 1	1/1
Ms Tan Siew Poh	5/7	4/6	Note 2	Non member
Dr. Yu Tat Loong	7/7	Non member	Non member	Non member
Ms Soon Dee Hwee [3]	7/7	6/6	2/2	1/1
Mr Sherman Lam Yuen Suen	7/7	6/6	Non member	Non member

Notes

1 *Datuk Mohamed Salleh Bin Bajuri was appointed as a member of NC and RC on 25 November 2021.*

2 *Ms Tan Siew Poh only attended 1 out of 2 meetings as she retired as a Non-Independent Non-Executive Director on 29 September 2021. Hence, she was no longer a member of ARMC, NC and RC.*

3 *Ms Soon Dee Hwee resigned as Independent Non-Executive Director on 5 July 2022.*

The new composition of the Board and Board Committees can be found on page 34 of this Annual Report.

Mr Chai was appointed as an Independent Non-Executive Director post FYE 2022. As such, he did not attend any of the Board meetings held during FYE 2022.

During the FYE 2022, the Board met on seven (7) occasions as follows for the purpose of deliberating on the Company's quarterly financial results and discussing other strategic and important matters:

(i) 24 May 2021;
(ii) 14 June 2021;
(iii) 19 August 2021;
(iv) 26 August 2021;
(v) 21 September 2021;
(vi) 25 November 2021; and
(vii) 24 February 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part II - Board Composition (cont'd.)

Time Commitment (cont'd.)

During the Board of Directors' Meeting, the Board reviewed the operations and performance of the Group and other issues that may affect the Group's business. Relevant senior management members were invited to attend some of the Board of Directors' Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

In the intervals between Board Meetings, for exceptional matters requiring urgent Board decisions, the Boards' sanction 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.

Directors' Training

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

All Directors, save for Mr Chai who was appointed on 1 June 2022, had attended and completed the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Mr Chai will complete the MAP within four months from the date of appointment. The list of training programmes that were attended by the Board members during the financial year are outlined below:-

Name of Director	Title	Organizer	Date
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	Board's role in the Changing World to Work	Asia School of Business & MIT Sloan Management	3 & 4 June 2021
	PNB Knowledge Forum 2021 – Rising above Covid-19: Reimagining Work in Malaysia & Beyond	Permodalan Nasional Berhad	14 July 2021
	The National Recovery Summit 2021 (Winning the War Against Covid – The Road to Recovery)	KSI Strategic Institute for Asia Pacific, The Economic Club of Kuala Lumpur & National Recovery Council	9 September 2021
	Sime Darby Plantation Board Retreat & Lunch Talk	Sime Darby Plantation Berhad	22 – 24 September 2021
	Khazanah Megatrends Forum	Khazanah Nasional Berhad	4 – 6 October 2021
	Sime Darby Plantation Board Webinar on Environment, Social & Governance (ESG) – Insights for Directors	Sime Darby Plantation Berhad	15 December 2021
Dato' Mustapha Bin Buang	ICDM Directors Development Bespoke Series for Bank Pertanian Malaysia (Agro Bank)	Institute of Corporate Directors Malaysia ("ICDM")	9 & 11 August 2021
	Qualified Risk Director Program: Series 10- Directors Guide to Crisis Management and Leadership during Crisis	Institute of Enterprise Risk Practitioners	12 August 2021
	ICDM Directors Development Bespoke Series: Purpose-Driven Business Leadership – Managing Trust Deficit	ICDM	21 September 2021
	Qualified Risk Director Program: Series 17 – Director's guide to environmental, social and governance	ICDM	23 September 2021
	ICDM Directors Development Bespoke Series: Digital Upskilling for Boards	ICDM	29 November 2021

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part II - Board Composition (cont'd.)

Directors' Training (cont'd.)

Name of Director	Title	Organizer	Date
Datuk Mohamed Salleh Bin Bajuri	Audit Oversight Board's Conversation with Audit Committee	Securities Commission	6 December 2021
Ms Tan Siew Poh [1]	The Updated Malaysian Code on Corporate Governance April 2021 – Implications to Listed Corporations, Directors & Management	MICG	30 June 2021
Dr. Yu Tat Loong	The Updated Malaysian Code on Corporate Governance April 2021 – Implications to Listed Corporations, Directors & Management	MICG	30 June 2021
Ms. Soon Dee Hwee [2]	Implementing Amendments in the Malaysian Code on Corporate Governance	Asia School of Business	14 June 2021
	Capital Market Conference 2021	MIA	17 June 2021
	Bursa-Fide Forum Dialogue on Sustainability	FIDE Forum	2 November 2021
	The 2050 Net Zero Carbon Emission Target: Finance's Role	FIDE Forum	12 November 2021
	KPMG Asia Pacific Board Leadership & Assurance Summit 2021	KPMG	16-18 November 2021
	AOB's Conversation with Audit Committees	Securities Commission	6 December 2021
	Malaysian Budget 2022	Boardroom Limited	21 December 2021
	The Principles & Methodology of Task Force on Climate related Financial Disclosures in ESG reporting	MIA	27 January 2022
	25th Credit Suisse Asian Investment Conference	Credit Suisse	21-24 March 2022
Mr. Sherman Lam Yuen Suen	Tax Landscape in Malaysia	CPA Australia	20 April 2021
	Future Ready Mindset	CIMA U.K.	28 April 2021
	Understanding Robotic Process Automation	American Institute of CPAs ("AICPA")	28 May 2021
	Covid-19 Crisis – Malaysia's Economic Recovery Strategy	CPA Australia	2 June 2021
	Blockchain: Benefits, Values and Opportunities	AICPA	7 June 2021
	MIA Conference 2021 – Navigating a Sustainable Future with Agility and Resilence	MIA	8-10 June 2021
	The Updated Malaysian Code on Corporate Governance April 2021 – Implications to Listed Corporations, Directors & Management	MICG	30 June 2021
	Financial Digitalisation and Data Governance	CIMA U.K.	9 July 2021

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part II - Board Composition (cont'd.)

Directors' Training (cont'd.)

Name of Director	Title	Organizer	Date
	Accessible Income & Exclusions, Allowable Business Deductions & Capital Allowances	CPA Australia	23 July 2021
	Essentials on Corporate Planning and Assurance	CPA Australia	27 August 2021
	Demystifying ESG	CIMA U.K.	14 October 2021
Mr. Sherman Lam Yuen Suen	Strategy Planning and Execution	Harvard Business Publishing	8 March 2022

Notes
1 Ms Tan Siew Poh retired upon the conclusion of the AGM held on 29 September 2021.
2 Ms Soon Dee Hwee resigned on 5 July 2022.

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

Part III – Remuneration

Remuneration Committee ("RC")

Composition of RC

Currently, the RC consists entirely of three (3) Independent Non-Executive Directors.

Policy and Procedures

The main objective of the remuneration policy is to attract, retain and motivate Directors required to lead and control the Group effectively. The Board, as a whole, determines the remuneration of the Directors and the individual director is required to abstain from participating in the discussion of their own remuneration. The Board had also empowered the Managing Director to review the performance and remuneration packages of senior management.

The remuneration package of each individual Executive Director is structured to reflect his experience, performance and scope of responsibilities. Only the MD has a contract of service which is reviewed every two (2) years. The remuneration of Non-Executive Directors consists of fixed fees and meeting allowance which are subject to the approval of the shareholders at the AGM. The Chairman of the Board receives higher fees taking into account the nature of his responsibilities.

During the financial under review, there was a meeting held and attended by all members. The RC reviewed and assessed amongst others-

(i) Remuneration packages of the MD and ED;
(ii) Revised Terms of Reference of RC; and
(iii) The Remuneration Policy for the Directors and Senior Management, where the said Policy was finalised post FYE 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part III – Remuneration

Remuneration Committee ("RC") (cont'd.)

Directors' Remuneration

The aggregate Directors' Remuneration paid or payable by the Company and the Group for the FYE 31 March 2022 are categorized into the following components:

Company	Fees RM'000	Meeting Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors						
Dato' Mustapha Bin Buang	-	-	1,414	-	269	1,683
Dr. Yu Tat Loong	-	-	-	-	-	-
Non-Executive Directors						
Tan Sri Dato' Seri Hj. Megat Najmuddin Bin Datuk Seri Dr Hj. Megat Khas	-	-	-	-	-	-
Datuk Mohamed Salleh Bin Bajuri	108	7	-	-		115
Ms Tan Siew Poh [1]	30	5	-	-		35
Ms Soon Dee Hwee	60	7	-	-		67
Mr Sherman Lam Yuen Suen	60	7	-	-		67
Total	**258**	**26**	**1,414**	**-**	**269**	**1,967**

Group	Fees RM'000	Meeting Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors						
Dato' Mustapha Bin Buang	-		1,414	-	269	1,683
Dr. Yu Tat Loong	-		482	-	59	541
Non-Executive Directors						
Tan Sri Dato' Seri Hj. Megat Najmuddin Bin Datuk Seri Dr Hj. Megat Khas	144	7	-	-	-	151
Datuk Mohamed Salleh Bin Bajuri	108	7	-	-	-	115
Ms Tan Siew Poh [1]	30	5	-	-	-	35
Ms Soon Dee Hwee	60	7	-	-	-	67
Mr Sherman Lam Yuen Suen	60	7	-	-	-	67
Total	**402**	**33**	**1,896**	**-**	**328**	**2,659**

Note

1 Ms Tan Siew Poh retired as a Non-Independent Non-Executive Director, ARMC, NC and RC member upon the conclusion of the AGM held on 29 September 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D.)

Part III – Remuneration

Remuneration Committee ("RC") (cont'd.)

Top 5 Senior Management's Remuneration

The Company notes the need for corporate transparency in disclosing the details of the remuneration of its top 5 Senior Management, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the full details of the top 5 Senior Management personnel who are not Directors of the Company.

The Board has chosen to disclose the remuneration of the top 5 Senior Management in bands instead of named basis. During the FYE 2022, the remuneration of the top 5 Senior Management (including salary, bonus and allowances) in each successive bands of RM50,000, are as follows:

Range of Remuneration per annum	Number of Senior Management
RM250,001 – RM300,000	1
RM300,001 – RM350,000	1
RM350,001 – RM400,000	1
RM400,001 – RM450,000	1
RM500,001 – RM550,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I - Audit Committee

Composition of ARMC

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The ARMC is chaired by Datuk Salleh, which is a different person from the Board, in line with the Practice 9.1 of MCCG whereby the Chairman of the Board is not the Chairman of Audit Committee.

The Company fulfills the prescribed requirements of Paragraph 15.09(c) which stated that at least one (1) member of the ARMC shall be member of the Malaysian Institute of Accountants ("MIA"); where all members of ARMC except Tan Sri Dato' Seri Hj Megat Najmuddin are members of MIA.

The composition, authority as well as duties and responsibilities are set out in the terms of reference of ARMC where no former key audit partner was appointed as member of ARMC. The aforesaid terms of reference of ARMC are published on the Company's website, www.asianpac.com.my. The works of the ARMC during the year have been summarized on page 56 of the ARMC Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D.)

Part I - Audit Committee (cont'd.)

Assessment of Suitability and Independence of External Auditors

For the FYE 2022, the ARMC has assessed the suitability and independence of the External Auditors ("EA") of the Company on 12 July 2022. In its assessment, the ARMC considered, inter alia, the following factors:

For "Suitability" of the EA:

- The EA has the adequate resource, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with the approved professional auditing standards and the applicable regulatory and legal requirements;
- To the knowledge of the ARMC, the EA does not have any record of disciplinary actions taken against with unprofessional conduct by the MIA which has not been reversed by the Disciplinary Board of MIA;
- The external audit firm has the geographical coverage required to audit the group;
- The EA advise the ARMC on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;
- The level of quality control procedures in the external audit firm, including the audit review procedures; and
- The external audit scope is adequate to cover the key financial and operational risks of the Group.

For "Independence" of the EA:

- The engagement partner has not served for a continuous period of more than seven (7) years with the Company; and
- The EA confirmed that they are independent throughout the conduct of the audit and remain in compliance with the By-Laws of the MIA and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants' independence requirements.

Upon completion of the said assessment, the ARMC was satisfied with their performance, technical competency and fulfilment of criteria of independence and recommended their re-appointment to the Board. The Board noted EA's willingness to continue in office for the ensuing year and having reviewed the justifications provided by the ARMC, the Board recommended the same for the shareholders' approval at the forthcoming 104th AGM of the Company.

The ARMC meets with the EA at least twice a year to review the scope and discuss their audit plan, audit findings and the Company's financial statements. Other Board members also attend meetings upon the invitation of the ARMC. The EA will meet the ARMC without the presence of other directors and senior management at least once a year to allow the ARMC and the EA to exchange independent views or matters which require the ARMC's attention. In addition, the EA are invited to attend the Company's AGM and are available to answer any questions from the shareholders.

Sound Risk Management Framework

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

Recognizing the importance of having risk management processes and practices, the Board has delegated its role in risk management to Risk Management Working Committee ("RMWC") to take charge of the operational risks of the Group. The RMWC comprises Head of respective Departments of the Group and led by the Financial Controller. The 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 risks vis-à-vis the risk parameters of the Group to ARMC. The Chairman of the RMWC reports to the ARMC and brief the Board on its activities and findings.

During the financial year under review, there were four (4) RMWC Meetings held. A summary of material risks that could affect the Group (including any material exposure to economic, environmental and social sustainability risks) are monitored for changes and are reported to the ARMC and the Board during the course of the year, along with related controls and action plans.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D.)

Part II - Risk Management and Internal Control Framework

Internal Audit Function

The Group's internal audit is carried out in-house by the Internal Audit Department. It is headed by Mr Eugene Foo Ui Jin ("Head of Internal Audit"), a member of the Institute of Internal Auditors Malaysia since 2007 with over twenty years of work experience. He holds a Bachelor's Degree with Distinction in Business (majoring in Business Administration). Mr Eugene is supported by one (1) audit staff.

The IA function is carried out based on the Institute of Internal Auditors' mandatory guidance, which includes the core principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. This would enable the IA function to continuously deliver value-added assurance to the Company as well as in achieving its corporate and strategic business objectives.

The Head of Internal Audit reports directly to the ARMC on its activities based on the approved internal audit plan. The internal audit conducts independent reviews of the Group's system of internal control and risk management with the objectives of providing reasonable assurance on its adequacy and effectiveness.

All internal audit personnel are free from any relationships or conflicts of interests which could impair their objectivity and independence.

The Board is of the view that the system of internal control and risk management in place during the year, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments and the interests of customers, regulators, employees and other stakeholders. The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control on pages 59 to 61 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I - Communication with Stakeholders

Investor 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.

The Company's website is the key communication channel for the Company to reach its shareholders and general public. Through the Company's website www.asianpac.com.my, the Investor Relations section enhances the investor relation function by including all the announcements made by the Company, financial results, annual reports, corporate calendar as well as shares information.

The shareholders and general public may direct any queries on the Company via email www.query@asianpac.com.my or write to the Senior Independent Non-Executive Director, Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur who was designated by the Company to receive and deal with shareholders' queries.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D.)

Part II - Conduct of General Meetings

AGM

In light of the coronavirus outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of the Board, employees and shareholders of the Company, the Company's 103rd AGM held on 29 September 2021 was conducted by way of fully virtual basis and entirely via the Remote Participation and Voting ("RPV") facilities.

The notice of the 103rd AGM was issued 28 days before the AGM date, as recommended by MCCG. Neither shareholders nor proxies were allowed to be physically present and they were advised to participate through live streaming and online remote voting via RPV facilities which were available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at https://tiih.online. To further encourage engagement between the Directors and shareholders, shareholders were also invited to send questions to the Board of Directors prior to 103rd AGM through online platform provided by Tricor via its TIIH Online website at https://tiih.online or may use the query box to transmit questions to the Board of Directors via RPV facilities during live streaming of the 103rd AGM.

The results of the poll were verified by the independent scrutineer, Scrutineer Solutions Sdn Bhd. The poll results were also announced to Bursa Securities via Bursa Link on the same day for the benefit of the shareholders. The key matters discussed/ minutes of the 103rd AGM was also made available on the Company's website, www.asianpac.com.my as soon as practicable after the conclusion of the AGM.

Directors' Responsibility Statement in respect of the preparation of annual audited financial statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements accordingly.

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

In respect of the financial statements for the financial year ended 31 March 2022, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

This statement is reviewed and approved by the Board of Directors' Meeting held on 12 July 2022.

Additional Compliance **Information**

UTILIZATION OF PROCEEDS FROM CORPORATE PROPOSAL

The Company had raised RM99,256,461 cash ("Proceeds") via its Renounceable Rights Issue of up to RM99,256,461 nominal value of 5-year 3% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at 100% of its nominal value of RM1.00 each in Asian Pac Holdings Berhad ("Asian Pac") on the basis of 1 ICULS for every 10 existing ordinary shares in Asian Pac, together with up to 198,512,922 free new detachable warrants ("Warrant") on the basis of 2 Warrants for each ICULS subscribed ("Rights Issue"). The Rights Issue exercise was completed on 31 May 2017. The Company had fully utilized the Proceeds from the Rights Issue of ICULS with Warrants during the FYE 31 March 2020.

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

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

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

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

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

2. **The ICULS and the Warrants were expired on 25 May 2022. Upon the mandatory conversion of the ICULS and the expiry and last date for the exercise of Warrants, the number and percentage of voting shares or voting rights of Mr. Mah Sau Cheong and Ms. Chin Lai Kuen in Asian Pac are as below:**

	As at 25 May 2022	
	No. of Asian Pac Shares	%
Mah Sau Cheong	476,070,724	31.98
Chin Lai Kuen	5,260,000	0.35
Total	**481,330,724**	**32.33**

MATERIAL CONTRACTS INVOLVING DIRECTORS', CHIEF EXECUTIVE OR MAJOR SHAREHOLDERS' INTEREST

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive or major shareholders' interests.

AUDIT AND NON-AUDIT FEES

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

	Group	Company
	RM	RM
Audit Fees	366,250	75,000
Non-Audit Fee	7,000	7,000

This non-audit fee covers the review of Statement on Risk Management and Internal Control.

Audit and Risk Management **Committee Statement**

COMPOSITION

The Audit and Risk Management Committee ("ARMC") comprises three (3) members, all of whom are Independent Non-Executive Directors. The members are as follow:

Chairman

Datuk Mohamed Salleh Bin Bajuri	Independent Non-Executive Director

Members

Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	Independent Non-Executive Director
Mr Sherman Lam Yuen Suen	Independent Non-Executive Director
Ms Soon Dee Hwee *(Resigned on 5/7/2022)*	Independent Non-Executive Director
Ms Tan Siew Poh *(Retired on 29/7/2021)*	Non-Independent Non-Executive Director

Datuk Salleh and Mr. Sherman Lam are members of the Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c) of the Main Market Listing Requirements ("MMLR") of Bursa Securities.

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

ATTENDANCE

During the financial year, the ARMC convened six (6) meetings which were attended by all members. These meetings were also attended by the Internal Auditor, Group Accountant and the Financial Controller. The details of the members' attendance records for the FYE 31 March 2022 are as follows:

Name of Directors	No. ARMC Meetings Attended/Held
Datuk Mohamed Salleh Bin Bajuri	6/6
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	6/6
Ms Tan Siew Poh (Retired on 29/9/2021)	4/4
Ms Soon Dee Hwee (Resigned on 5/7/2022)	6/6
Mr Sherman Lam Yuen Suen	6/6

MEETINGS AND MINUTES

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

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

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

SUMMARY OF WORKS

Pursuant to the terms of reference of the ARMC, the following activities were carried out by the Committee during the FYE 31 March 2022 in the discharge of its duties and responsibilities:

(i) Financial Reporting

The ARMC had reviewed the Group's unaudited quarterly financial results for the first, second, third and fourth quarter of the FYE 31 March 2022 on 21 September 2021, 25 November 2021, 24 February 2022 and 26 May 2022 respectively. On XXXXXX, the ARMC reviewed the annual audited financial statements for FYE 31 March 2022.

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

(a) appropriate accounting policies had been adopted and applied consistently;
(b) the going concern basis applied in the Audited Financial Statements and Condensed Consolidated Financial Statements was appropriate;
(c) prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
(d) adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs and MMLR;
(e) no significant issues arising from the audit that needed judgement by the Management as well as unusual events or transactions to be addressed; and
(f) the Audited Financial Statements and Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for FYE 31 March 2022.

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

(ii) External Auditors

On 24 February 2022, the ARMC reviewed the 2022 Audit Plan, presented by EY which amongst others, contained the detailed terms of EY's responsibilities and the affirmation of their independence as External Auditors, the engagement team, risk assessment and areas of audit emphasis for the financial year.

On 28 July 2022, EY had presented the audit report pertaining to the matters arising from the audit for the FYE 31 March 2022 to ARMC as follows:

(a) EY had completed their audit in accordance with their Audit Plan for 2022;
(b) During the course of their audit, EY has not identified any matters relating to risks of material misstatements of the financial statements due to fraud;
(c) Discussed Key Audit Matters with the Management and the disclosure thereof in the Auditors' Report for the FYE 31 March 2022;
(d) the review of the Statement on Risk Management and Internal Control to be included in the Annual Report and its corresponding fees;
(e) EY's written affirmation of its independence to act as the Company's external auditors in accordance with the independent requirements set out in the Bye-Laws (On Professional Ethics, Conduct and Practice) for the Professional Accountants of Malaysian Institute of Accountants; and
(f) EY would issue an unqualified opinion on the financial statements of the Group.

The ARMC had a discussion session with EY on 12 July 2022 without the presence of the Management.

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

SUMMARY OF WORKS (CONT'D.)

(iii) Internal Audit

The ARMC had on 24 February 2022 reviewed and approved the Internal Audit Plan for the financial year ending 31 March 2023 to ensure adequacy of scope, coverage and resources required to perform audits for the identified auditable areas.

The Internal Auditor had on 21 September 2021, 25 November 2021, 24 February 2022 and 26 May 2022 presented the Internal Audit Reports and Internal Audit Progress Reports on the following departments:

- Sales Administration
- Sales & Marketing
- Car Park Management (KL Operations)
- Property Management
- Administration
- Information Technology
- Mall Management
- Leasing
- Marcom
- Car Park Management (KK Operations)
- Human Resources

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

(iv) Related Party Transactions

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

(v) Risk Management

The Group had approved the Revised Risk Management Framework on 19 August 2021 to adopt the risk matrix from 2x2 to 3x3. The Risk Management Framework encompasses risk assessment, communication and consulting, risk monitoring and risk review.

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

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

(vi) Others

(a) The Statement on Risk Management and Internal Control for publication in the Company's Annual Report was also reviewed by ARMC.

(b) ARMC reviewed the gift registers of the Group which the employees disclosed quarterly in compliance with the Company's established anti-bribery and corruption policy.

INTERNAL AUDIT FUNCTION/ACTIVITIES

The Group's internal audit function is performed in-house. The Internal Audit Department ("IAD") of the Group was established to assist the Board of Directors and the ARMC in discharging their duties and responsibilities. The IAD undertakes its functions based on the annual internal audit plan that is reviewed and approved by the ARMC, and it is the responsibilities of the IAD to provide the ARMC with independent and objective reports on the state of internal controls of various business operating units within the Group and the extent of its compliance with the Group's policies and procedures as well as relevant statutory requirements.

During the financial year, the following activities were carried out by the IAD:

- Prepared risk-based annual internal audit plan for FYE 31 March 2022 for the ARMC's approval.
- Completed audit assignments in accordance with the risk-based annual internal audit plan.
- Recommended improvement opportunities to strengthen the system of internal controls subsequent to completed audits.
- Reviewed related party transactions entered into by the Company and its subsidiaries on a quarterly basis.
- Reviewed the employee's compliance with the Company's established anti-bribery and corruption policy.
- Reviewed the Statement on Risk Management and Internal Control for publication in the Company's annual report.

The total cost incurred from the internal audit function in respect of the FYE 31 March 2022 was RM253,809.

Statement on Risk Management and Internal Control

FINANCIAL YEAR ENDED 31 MARCH 2022

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 Main Market Listing Requirements by Bursa Malaysia Securities Berhad, the principles, practices and guidance relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance issued by Securities Commission on 28 April 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 2022.

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 Audit and Risk Management Committee Report.

INTERNAL CONTROL

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

(a) The Group has in place an organisation structure with proper segregation of duties, 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.

(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 senior management on a regular basis. Performance and results are monitored on a monthly basis against the approved budget, 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 Executive Director meets with the senior management of the mall operations regularly to conduct credit reviews, monitor receivables and the 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. As a commitment, the Group has started contributing to the Human Resource Development Corporation during the financial year.

(j) Formal job descriptions have been established for all employees.

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

(l) The whistle-blowing policy and anti-bribery & corruption policy published in the Group's website www.asianpac.com.my/ Corporate Governance/ 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 of Directors in the meeting dated 12 July 2022. As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, 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 hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

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	Company
	RM'000	RM'000
(Loss)/profit for the year	(4,773)	1,488
(Loss)/profit attributable to:		
Owners of the parent	(4,277)	1,488
Non-controlling interests	(496)	-
	(4,773)	1,488

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

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

DIVIDENDS

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

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

DIRECTORS

The 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 Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas*
Dato' Mustapha bin Buang*
Dr. Yu Tat Loong*
Sherman Lam Yuen Suen
Datuk Mohamed Salleh bin Bajuri
Tan Siew Poh (retired on 29 September 2021)
Soon Dee Hwee (resigned on 5 July 2022)
Chai Yee Choong (appointed on 1 June 2022)

* 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
Lokman bin Zakaria

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 15 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company and related corporations as shown in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the 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 2021	Acquired	Sold	31 March 2022
Direct interest:				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	194,800	-	-	194,800
Dato' Mustapha bin Buang	32,850,985	-	-	32,850,985
Datuk Mohamed Salleh bin Bajuri	500,000	-	-	500,000
Indirect interest:				
Dato' Mustapha bin Buang*	800,000	-	-	800,000

* Deemed interest through the shares held by his spouse.

	Number of APHB ICULS			
	1 April 2021	Subscribed	Converted/Sold	31 March 2022
Direct interest:				
Tan Sri Dato' Seri 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 interest through the shares held by his spouse.

DIRECTORS' INTERESTS (CONT'D.)

According to the register of Directors' shareholdings, the 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.)

	Number of APHB warrants			
	1 April 2021	Allotted	Exercised/Sold	31 March 2022
Direct interest:				
Tan Sri Dato' Seri 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 interest through the shares held by his spouse.

Other than as disclosed above, none of the 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 corporations during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnities have been given or insurance premiums 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

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

RIGHTS 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 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.

A total of 87.6 million outstanding ICULS will be mandatorily converted into 438.0 million new ordinary shares of APHB at the conversion price of RM0.20 for every one (1) new ordinary share upon its maturity on 25 May 2022.

RIGHTS ISSUE OF ICULS WITH WARRANTS (CONT'D.)

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

	Number of APHB ICULS			
	1 April 2021	Issued	Converted	31 March 2022
ICULS	88,921,961	-	(1,244,100)	87,677,861

	Number of APHB warrants			
	1 April 2021	Issued	Exercised	31 March 2022
Warrants	198,512,922	-	-	198,512,922

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 provision for doubtful debts and satisfied themselves that no known bad debts and that adequate provision had been made for doubtful debts; and
(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

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

SIGNIFICANT EVENTS

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

SUBSEQUENT EVENTS

Subsequent events are disclosed in Note 39 to the financial statements.

AUDITORS

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

Auditors' remuneration is as follows:

	Group	Company
	RM'000	RM'000
Ernst & Young PLT	366	75

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, 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 Ernst & Young PLT during or since the financial year ended 31 March 2022.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 July 2022.

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

Dato' Mustapha bin Buang
Managing Director

Statement by **Directors**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas and Dato' Mustapha bin Buang, being two of the Directors of Asian Pac Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 73 to 158 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 2022 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 28 July 2022.

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

Dato' Mustapha bin Buang
Managing Director

Statutory **Delaration**

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Wong Yee Kean, being the officer primarily responsible for the financial management of Asian Pac Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 73 to 158 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 28 July 2022.

Wong Yee Kean
MIA 18594

Before me,

Independent Auditors' Report

TO THE MEMBERS OF ASIAN PAC HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asian Pac Holdings Berhad and its subsidiaries, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 158.

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 2022, and of their financial performance and their cash flows for the 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 audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

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

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

(a) Valuation of investment properties

(Refer to Note 2.4(g), Note 2.5(b)(i) and Note 5 to the financial statements)

As at 31 March 2022, the carrying value of the Group's investment properties carried at fair value amounted to approximately RM1,276,340,000 which represents approximately 63% of the Group's total assets.

During the financial year, the Group has recognised a net fair value downward adjustment of RM11,130,000 for its investment properties.

The Group adopts fair value model for its investment properties. When estimating the fair value of investment properties, the objective is to estimate the price that would be received from the sale of the investment property in an orderly transaction between market participants at the reporting date under current market conditions.

In addition, the fair value should reflect, among other things, the property related data used as input to the valuation model and other assumptions that market participants would use when pricing the investment property under current market conditions, which are judgmental. Accordingly, we consider this to be an area of audit focus. The Group had engaged independent valuers to determine the fair value of the investment properties at the reporting date.

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

Key audit matters (cont'd.)

(a) Valuation of investment properties (cont'd.)

Our audit procedures focused on the valuations performed by firms of independent valuers, which included amongst others the following procedures:

- We considered the objectivity, independence and expertise of the independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- As part of our evaluations of the fair values of investment properties, we had discussed the valuation with the independent valuers to obtain an understanding of the property related data used as input to the valuation models;
- For investment method of valuation (income approach), we assessed whether the key assumptions used in deriving the discounted cash flows such as rental rates for reversion period, void rate and outgoings are consistent with the historical trend of the properties. We also assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amount, timing and risk profile equivalent to those that the entity expect 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 the subject properties and the comparable properties.
- We have assessed the adequacy of the disclosures within the financial statements in accordance with the relevant accounting standard.

(b) Investment in subsidiaries

(Refer to Note 2.4(b), Note 2.5(b)(iv) and Note 7 to the financial statements)

As at 31 March 2022, the carrying amount of the Company's investment in subsidiaries amounted to approximately RM466,253,000 which represents approximately 82% of the Company's total assets.

The net assets of the subsidiaries which were below the cost of investment reported by certain subsidiaries is viewed as indicators that the investment may be impaired.

MFRS 136: Impairment of Assets requires the Company to re-assess the recoverable amount of the investments in subsidiaries as at the reporting date, whenever there is any indication that the previously recognised impairment losses may no longer exist or may have changed.

The Company performed impairment reviews in respect of the investment in subsidiaries by comparing the carrying amount of the investments to their recoverable amounts. As a result of the impairment review, the Company recognised a net reversal of impairment loss of RM272,000 during the financial year.

We considered assessment of impairment on investment in subsidiaries to be an area of audit focus as it involves significant level of judgement and assumptions applied by management.

In addressing this area of audit focus, amongst others:

- We obtained an understanding of the Company's policies and procedures to identify indications of impairment and evaluating the assumptions and methodologies used by the Company in performing the assessment;
- We evaluated the appropriateness of the assumptions and methodologies used by the Company; and
- We assessed the adequacy of the disclosures within the financial statements in accordance to the relevant accounting standards.

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

Information other than the financial statements and the auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Group's 2022 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 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.

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.

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

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

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

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

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

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

Report on other legal and regulatory requirements

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

OTHER MATTERS

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Najihah Binti Khalid
No. 03249/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 July 2022

Statements of **Financial Position**

AS AT 31 MARCH 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	3	6,763	7,309	15	11
Inventories - Land held for property development	4(a)	366,824	347,114	-	-
Investment properties	5	1,276,340	1,287,470	-	-
Intangible asset	6	38,029	37,276	-	-
Investments in subsidiaries	7	-	-	466,253	458,991
Investment in associates	8	-	488	-	490
Non-current financial asset	9	6,556	4,856	2,150	1,593
Deferred tax assets	10	104	116	18	18
		1,694,616	1,684,629	468,436	461,103
Current assets					
Inventories - Property development costs	4(b)	186,980	163,973	-	-
Inventories - Completed properties and others	4(c)	4,423	26,773	-	-
Trade and other receivables	11	52,855	67,563	95,190	129,725
Contract assets in respect of property development	11(d)	2,222	2,848	-	-
Accrued income		1,512	1,550	-	-
Prepayment		806	480	46	43
Tax recoverable		4,092	1,380	113	98
Short term investments	12	18,563	16,266	-	900
Cash and bank balances	13	52,655	70,149	2,506	1,050
		324,108	350,982	97,855	131,816
Total assets		2,018,724	2,035,611	566,291	592,919

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

Statements of Financial Position

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	14	213,643	212,399	213,643	212,399
Other reserves	15	78,471	78,746	154,513	155,014
Retained earnings	15	768,121	774,726	150,809	149,349
		1,060,235	1,065,871	518,965	516,762
Non-controlling interests		989	3,259	-	-
Total equity		1,061,224	1,069,130	518,965	516,762
Non-current liabilities					
Trade and other payables	17	132,744	128,910	11,477	12,705
Lease liabilities	18	779	968	-	-
Loans and borrowings	16	328,968	363,687	-	5,111
Deferred tax liabilities	10	234,424	234,949	-	-
		696,915	728,514	11,477	17,816
Current liabilities					
Trade and other payables	17	79,663	92,180	5,797	33,341
Lease liabilities	18	1,670	998	-	-
Provisions	19	19,148	20,599	-	-
Prepayment from tenants		733	734	-	-
Tax payable		-	1,232	-	-
Loans and borrowings	16	159,371	122,224	30,052	25,000
		260,585	237,967	35,849	58,341
Total liabilities		957,500	966,481	47,326	76,157
Total equity and liabilities		2,018,724	2,035,611	566,291	592,919

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 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Revenue	20	138,667	88,252	6,090	4,433
Cost of sales	21	(84,899)	(47,519)	-	(301)
Gross profit		53,768	40,733	6,090	4,132
Other income	22	21,603	33,153	16,335	170
Employee benefits expense	23	(21,138)	(18,690)	(3,132)	(2,698)
Depreciation		(3,455)	(2,691)	(5)	(5)
Other expenses		(28,275)	(51,473)	(15,254)	(10,073)
Operating profit/(loss)		22,503	1,032	4,034	(8,474)
Finance costs	25	(26,810)	(34,180)	(2,544)	(2,639)
Share of result of associate		-	(2)	-	-
(Loss)/profit before tax	26	(4,307)	(33,150)	1,490	(11,113)
Income tax (expense)/credit	27	(466)	2,543	(2)	(5)
(Loss)/profit after tax		(4,773)	(30,607)	1,488	(11,118)
(Loss)/profit attributable to:					
Owners of the parent		(4,277)	(30,317)	1,488	(11,118)
Non-controlling interests		(496)	(290)	-	-
		(4,773)	(30,607)	1,488	(11,118)
Loss per share attributable to owners of the parent (sen per share):					
Basic loss per share					
Before mandatory conversion of ICULS	28(a)	(0.4)	(2.9)		
After mandatory conversion of ICULS	28(a)	(0.3)	(2.0)		
Diluted loss per share	28(b)	(0.3)	(2.0)		

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 2022

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the year	(4,773)	(30,607)	1,488	(11,118)
Other comprehensive (loss)/income:				
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Fair value gain on financial assets at fair value through other comprehensive income	1,700	2,914	558	955
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	1,700	2,914	558	955
Total comprehensive (loss)/income for the year, net of tax	(3,073)	(27,693)	2,046	(10,163)
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(2,577)	(27,403)	2,046	(10,163)
Non-controlling interests	(496)	(290)	-	-
	(3,073)	(27,693)	2,046	(10,163)

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 2022

Group	Attributable to owners of the parent					Non-controlling interests	Total equity
	Non-distributable			Distributable			
	Share capital	Other reserves	Revaluation surplus	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note 14)	(Note 15)	(Note 15)	(Note 15)		(Note 7)	
At 31 March 2022							
At 1 April 2021	212,399	77,830	916	774,726	1,065,871	3,259	1,069,130
Total comprehensive income/(loss) for the year	-	1,700	-	(4,277)	(2,577)	(496)	(3,073)
Aquisition of a subsidiary (Note 7)	-	-	-	-	-	510	510
Changes in ownership interest in a subsidiary (Note 7)	-	-	-	(3,216)	(3,216)	(2,284)	(5,500)
Realisation of revaluation surplus (Note 15(c))	-	-	(916)	916	-	-	-
Conversion of ICULS (Note 14(a))	1,244	(1,059)	-	(28)	157	-	157
At 31 March 2022	213,643	78,471	-	768,121	1,060,235	989	1,061,224
At 31 March 2021							
At 1 April 2020	210,977	76,125	916	805,075	1,093,093	3,549	1,096,642
Total comprehensive income/(loss) for the year	-	2,914	-	(30,317)	(27,403)	(290)	(27,693)
Conversion of ICULS (Note 14(a))	1,422	(1,209)	-	(32)	181	-	181
At 31 March 2021	212,399	77,830	916	774,726	1,065,871	3,259	1,069,130

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

Statement of **Changes in Equity**

FOR THE YEAR ENDED 31 MARCH 2022

Company	Non-distributable		Distributable	
	Share capital	Other reserves	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
	(Note 14)	(Note 15)	(Note 15)	
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 (Note 14(a))	1,244	(1,059)	(28)	157
At 31 March 2022	213,643	154,513	150,809	518,965
At 31 March 2021				
At 1 April 2020	210,977	155,268	160,499	526,744
Total comprehensive income/(loss) for the year	-	955	(11,118)	(10,163)
Conversion of ICULS (Note 14(a))	1,422	(1,209)	(32)	181
At 31 March 2021	212,399	155,014	149,349	516,762

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 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
(Loss)/profit before tax		(4,307)	(33,150)	1,490	(11,113)
Adjustments for:					
Depreciation of property, plant and equipment	3	3,455	2,691	5	5
Net loss on changes in fair value of investment properties	5	11,130	30,894	-	-
Loss/(gain) on fair value adjustments of financial assets at fair value through profit or loss	26	54	(1,186)	(3)	(50)
Gain on disposal of quoted investment	22	(600)	(5,980)	-	-
Gain from investment in loan asset:					
- interest income	22	(7,963)	(15,509)	-	-
- net reversal of expected credit loss	22	-	(1,019)	-	-
Gain on disposal of property, plant and equipment	22, 26	(20)	(1)	-	-
Gain/(loss) on remeasurement of contingent consideration	22, 26	(2,112)	-	(2,112)	-
Impairment on:					
- intangible asset	6	57	94	-	-
- investment in subsidiaries	7(a), 26	-	-	13,918	4,745
- trade and other receivables	26	5,276	6,886	-	4,514
Loss on land compensation	26	-	42	-	-
Reversal of impairment loss on investment in subsidiaries	7(a)	-	-	(14,190)	(36)
Reversal of provision for property development obligations	22	(2,948)	-	-	-
Unwinding of discount on long term liabilities	22	(53)	(132)	-	-
Write back impairment in quoted investment		-	(7)	-	-
Write off of property, plant and equipment	26	3	1	-	-
Write back of impairment for expected credit losses	22	(4,042)	(406)	-	-
Share of result of associate	8	-	2	-	-
Interest expense	25	26,810	34,180	2,544	2,639
Interest income	20, 22	(685)	(775)	(35)	(11)
Dividend income	20	-	(863)	(1,900)	-
Operating profit/(loss) before working capital changes		24,055	15,762	(283)	693

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

Statements of Cash Flows

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (cont'd..)					
Changes in working capital:					
(Increase)/decrease in property development costs		(20,370)	22,689	-	-
Decrease/(increase) in trade and other receivables		15,859	(977)	6,498	(15,518)
Decrease in inventories		22,350	6,317	-	-
(Decrease)/increase in trade and other payables		(12,290)	(7,619)	(655)	461
Changes in subsidiaries balances		-	-	(5,379)	18,842
Cash generated from operations		29,604	36,172	181	4,478
Interest received		9	11	9	11
Dividend received		-	-	1,900	-
Taxes paid		(4,923)	(4,681)	(16)	(39)
Net cash generated from operating activities		24,690	31,502	2,074	4,450
Cash flows from investing activities					
Interest received		469	572	-	-
Net (placement)/withdrawal of short term investment		(4,701)	301	903	1,212
Decrease/(increase) in pledged cash and short term deposits		6,890	(7,766)	(9)	(11)
Purchase of property, plant and equipment	3	(726)	(1,045)	(10)	(11)
Incorporation of a new subsidiary	7	-	-	-	(750)
Acquisition of an associate		-	(490)	-	(490)
Proceeds from disposal of property, plant and equipment		36	1	1	-
Addition of short term investment		-	(18,000)	-	-
Proceeds from disposal of short term investment		2,947	21,627	-	-
Proceeds from land compensation received		-	1,985	-	-
Additions to inventories - land held for development		(12,373)	(5,646)	-	-
Deferred cash consideration settlement on acquisition of subsidiary	7(f)	(690)	(60)	-	-
Acquisition of new subsidiary, net of cash acquired		(810)	-	-	-
Decrease in non-controlling interest		1,000	-	-	-
Net cash (used in)/generated from investing activities		(7,958)	(8,521)	885	(50)

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

Statements of Cash Flows

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities					
Repayment of hire purchase payables	16(h)	(61)	(110)	-	-
Payment of lease liabilities	18	(1,896)	(1,061)	-	-
Drawdown of loans	16(h)	64,502	65,300	6,000	-
Repayment of term loans	16(h)	(60,489)	(39,843)	(3,000)	-
Interest paid	16(h)	(29,392)	(30,280)	(4,512)	(4,506)
Net cash used in financing activities		(27,336)	(5,994)	(1,512)	(4,506)
Net (decrease)/increase in cash and cash equivalents		(10,604)	16,987	1,447	(106)
Cash and cash equivalents at beginning of year		40,456	23,469	485	591
Cash and cash equivalents at end of year	13	29,852	40,456	1,932	485

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

Notes to the Financial Statements

31 MARCH 2022

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 28 July 2022.

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 MFRS, Interpretations and amendments that are mandatory for annual periods beginning on or after 1 April 2021.

Amendments to MFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

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

2.3 Standards, interpretations and amendments issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)
Amendments to MFRS 3	Reference to the Conceptual Framework

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Effective for financial periods beginning on or after 1 January 2022: (cont'd.)

Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)

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

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 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

The Group and the Company expect that the adoption of the above standard and amendments to MFRS will have no significant impact to the financial statements in the period of initial application.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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.

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 statement of 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.

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

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.

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.

(c) Transactions with non-controlling interests

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

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

(d) Intangible asset

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(d) Intangible asset (cont'd.)

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

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

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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(e) Investment in associates (cont'd.)

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 the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

(f) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the 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.

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:

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

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 statement of profit or loss when the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(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.

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 off (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.

(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")).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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.

(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 commit to purchase or sell the asset.

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 statement of profit or loss when the right of payment has been established, except when the Group and the Company 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 and the Company has elected to classify irrevocably its equity investments under this category.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(j) Financial assets (cont'd.)

(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 either:

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(l) 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.

(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 cease to be capitalised upon the commencement of the sale the development units.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the 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 the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(l) Inventories (cont'd.)

(iii) 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.

(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.

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 statement 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.

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.)

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 statement 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 the profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 the 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.

(p) Leases

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(p) Leases (cont'd.)

As a lessee (cont'd.)

(i) Right-of-use assets

The Group and the Company recognise 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.

Leasehold buildings	2 - 50 years

If ownership of the leased asset transfers to the Group and the Company 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 and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

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 the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company 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 and the Company use 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 and the Company have 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 USD5,000 each when purchased new. The Group and the Company recognise the lease payments associated with these leases as an expense over the lease term.

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 statement 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(r) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be 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 and the Company participates in the national pension schemes as defined by the laws of the country in which it has operations. The Group and the Company makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to the defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(t) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group and the Company 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 Group and 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.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and their statements of profit or loss are translated at exchange rates at the dates of transactions. The exchange differences arising on the translation for consolidation are taken directly to OCI.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(u) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(w) Revenue and other income

(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.

(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 statement of profit or loss.

(v) Rental income

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

(vi) Dividend income

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

(vii) Management fees

Management fees are recognised when these services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

(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.

(ix) 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.

(x) Non-refundable tenant deposits

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

(y) 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.

(z) 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.

(aa) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(ab) Contingencies

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

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

2.5 Significant accounting judgements and estimates

(a) Judgements made in applying accounting policies

The preparation of the Group's and the Company'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, as disclosed in Note 30(a)(i).

(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 2022.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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: (cont'd.)

(ii) Property development

The Group recognises property development revenue and expenses 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 and by relying on the work of specialists. Details of property development costs are disclosed in Note 4(b).

(iii) Provision for Expected Credit Losses ("ECL") of Trade and Other Receivables

The Group uses a provision matrix to calculate ECL for trade and other receivables.

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 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.

(iv) Investments in subsidiaries

Management determines whether the carrying amount of the Company's investments in subsidiaries are impaired as at reporting date. Management performs impairment reviews in respect of the investment in 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.

For certain subsidiaries where the assessment is based on its value in use ("VIU"). The key assumptions involved in the assessment of the VIU are revenue, discount rate, amongst others.

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

3. PROPERTY, PLANT AND EQUIPMENT

Group	Motor vehicles, office furniture, equipment, plant, tools, machinery and renovation	Right-of-use assets	Total
	RM'000	RM'000	RM'000
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
At 31 March 2021			
At cost			
At 1 April 2020	20,899	4,137	25,036
Additions	1,045	1,426	2,471
Disposals	(168)	-	(168)
Write off	(2)	-	(2)
At 31 March 2021	21,774	5,563	27,337
Accumulated depreciation			
At 1 April 2020	16,545	961	17,506
Depreciation charge for the year (Note 26)	1,670	1,021	2,691
Disposals	(168)	-	(168)
Write off	(1)	-	(1)
At 31 March 2021	18,046	1,982	20,028
Net carrying amount			
At 31 March 2021	3,728	3,581	7,309

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

Company	Motor vehicles	Office furniture and equipment	Total
	RM'000	RM'000	RM'000
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
At 31 March 2021			
At cost			
At 1 April 2020	1,086	161	1,247
Additions	-	11	11
At 31 March 2021	1,086	172	1,258
Accumulated depreciation			
At 1 April 2020	1,086	156	1,242
Depreciation charge for the year (Note 26)	-	5	5
At 31 March 2021	1,086	161	1,247
Net carrying amount			
At 31 March 2021	-	11	11

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

During the financial year, the Group acquired the property, plant and equipment of RM726,000 (2021: RM1,045,000) for cash.

(a) 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	3,687	3,871	1,086	1,086
Office furniture and equipment	5,168	5,020	153	153
Renovation	5,517	4,795	-	-
Plant and machinery	133	-	-	-
	14,505	13,686	1,239	1,239

(b) 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		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	-	59	-	-

(c) 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	Long term leasehold land	Building	Total
	RM'000	RM'000	RM'000	RM'000
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
At 1 April 2020	1,095	81	2,000	3,176
Additions	-	-	1,426	1,426
Depreciation	(39)	(2)	(980)	(1,021)
At 31 March 2021	1,056	79	2,446	3,581

4. INVENTORIES

	Group	
	2022	2021
	RM'000	RM'000
Non-current		
Land held for property development (Note 4(a))	366,824	347,114
Current		
At cost		
- Property development costs (Note 4(b))	186,980	163,973
- Completed properties and others (Note 4(c))	4,423	26,773
	191,403	190,746

(a) Land held for property development

	Group	
	2022	2021
	RM'000	RM'000
Long term leasehold land		
Cost and carrying amount		
At beginning of year	347,114	376,583
Additions during the year	19,710	11,880
Transfer to property development cost	-	(39,323)
Disposal during the year	-	(2,026)
At end of year	366,824	347,114

During the financial year, long term leasehold land of the Group with a carrying value of RM360,964,000 (2021: RM52,300,000) has been charged to a financial institution as securities for term loan and revolving credit 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 RM7,337,000 (2021: RM6,233,000) (Note 25).

4. INVENTORIES (CONT'D.)

(b) Property development costs

	Group	
	2022	2021
	RM'000	RM'000
Cumulative property development costs		
At 1 April 2021/2020:		
Long term leasehold land	128,866	95,576
Development costs	35,108	178,017
	163,974	273,593
Costs incurred during the year:		
Long term leasehold land	8,767	3,408
Development costs	58,154	38,274
	66,921	41,682
Transfers:		
From land held for property development	-	39,323
To inventories of completed properties (Note 4(c))	-	(23,961)
	-	15,362
Cumulative costs recognised in profit or loss		
At 1 April 2021/2020:	(166,664)	(140,554)
Reversal of completed project	166,664	-
Recognised during the year (Note 21)	(43,915)	(26,110)
At 31 March 2022/2021	(43,915)	(166,664)
Property development costs at 31 March 2022/2021	186,980	163,973

Included in property development costs incurred during the financial year are interest costs capitalised under qualifying assets amounting to RM2,011,000 (2021: RM1,759,000) (Note 25).

Included in property development costs of the Group are land held for development and development costs amounting to RM145,027,000 (2021: RM63,112,000) which have been charged to financial institutions as securities for the term loan and Islamic financing facilities as disclosed in Note 16(a) and (b) respectively.

(c) Completed properties and others

	Group	
	2022	2021
	RM'000	RM'000
At cost		
Completed properties	3,792	26,088
Consumables and general supplies	631	685
	4,423	26,773

4. INVENTORIES (CONT'D.)

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

	Group		
	Completed properties	Consumables and general supplies	Total
	RM'000	RM'000	RM'000
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	3,792	631	4,423
At 31 March 2021			
As at 1 April 2020	5,674	709	6,383
Additions	23,961	377	24,338
Movements in consumables	-	(401)	(401)
Recognised as cost of sales (Note 21)	(3,547)	-	(3,547)
As at 31 March 2021	26,088	685	26,773

5. INVESTMENT PROPERTIES

	Freehold land	Leasehold land	Leasehold land and building	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At fair value				
At 31 March 2022				
At 1 April 2021	87,000	80,500	1,119,970	1,287,470
Net 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
At 31 March 2021				
At 1 April 2020	87,000	74,400	1,156,964	1,318,364
Net gain/(loss) from fair value adjustments recognised in profit or loss (Note 22 and 26)	-	6,100	(36,994)	(30,894)
At 31 March 2021	87,000	80,500	1,119,970	1,287,470

5. INVESTMENT PROPERTIES (CONT'D.)

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

Fair values using the comparison method were based on level 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 observable, either directly or indirectly.

Reconciliation of fair value:

	Investment properties		
	Land and office properties	Land and retail properties	Total
	RM'000	RM'000	RM'000
As at 1 April 2020	163,000	1,155,364	1,318,364
Remeasurement recognised in profit or loss	6,050	(36,944)	(30,894)
As at 31 March 2021/1 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	170,050	1,106,290	1,276,340

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

	2022	2021
	RM'000	RM'000
Rental income (Note 20):		
- Land and office properties	1,467	1,230
- Land and retail properties	48,718	37,423
Property management operation costs (Note 21)	(14,499)	(14,029)
Others	(1,594)	(43)
Car park operations		
- Revenue	6,036	5,859
- Cost of sales	(3,290)	(2,636)
Profit arising from investment properties	36,838	27,804

Included in investment properties is certain long term leasehold land of the Group amounting to approximately RM51,000,000 (2021: RM50,000,000) 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 RM1,041,100,000 (2021: RM1,053,100,000) 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.

5. INVESTMENT PROPERTIES (CONT'D.)

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	
			2022	2021
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	RM0.38 to RM22.50	RM0.38 to RM30.00
		Void rate	5.00% to 10.00%	2.50% to 10.00%
		Term yield rate	4.25% to 6.00%	4.25% to 6.25%
		Reversionary yield rate	4.50% to 7.00%	4.45% to 7.00%

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 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 (Decrease)/increase	
	2022	2021
	RM'000	RM'000
Yield rate		
+ 0.15%	(26,820)	(27,551)
- 0.15%	28,880	30,608
Void rate		
+ 0.15%	(3,800)	(899)
- 0.15%	1,871	2,700
Base rent		
+ 0.15%	84,552	106,840
- 0.15%	(83,733)	(104,420)

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

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.

6. INTANGIBLE ASSET

Group	Goodwill	Property Development Rights	Total
	RM'000	RM'000	RM'000
Cost			
At 1 April 2021	10,666	37,219	47,885
Goodwill on acquisition of subsidiaries	810	-	810
	11,476	37,219	48,695
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	(10,666)	-	(10,666)
Net carrying amount			
At 31 March 2022	810	37,219	38,029
Cost			
At 1 April 2020	10,666	37,219	47,885
Accumulated impairment			
At 1 April 2020	(10,515)	-	(10,515)
Impairment loss recognised in profit or loss (Note 26)	(94)	-	(94)
At 31 March 2021	(10,609)	-	(10,609)
Net carrying amount			
At 31 March 2021	57	37,219	37,276

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

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost	618,116	617,366
Increase in investment in a subsidiary	6,990	750
	625,106	618,116
Accumulated impairment losses	(158,853)	(159,125)
	466,253	458,991

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

Name of subsidiaries	Paid up share capital	Direct shareholdings/ effective equity interest		Principal activities
		2022	2021	
		%	%	
Held by the Company				
Asian Pac Capital Sdn. Bhd. (formerly known as Climate Engineering (Malaya) 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 and 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
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.	5,007	100	100	Car park management and operation
Harmoni Bumiria Sdn. Bhd.	250	100	90	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

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	Direct shareholdings/ effective equity interest		Principal activities
		2022	2021	
		%	%	
Held by the Company (cont'd.)				
Nova Fajar Development Sdn. Bhd. #^	490	49	-	Property development
Asian Pac Crec Sdn. Bhd. #	1,000	100	-	Construction
Held through subsidiaries				
Asian Gateways Construction Sdn. Bhd. #	1,000	100	-	Construction
BH Realty Sdn. Bhd.	3,100	100	100	Property investment and development and car park operation
Wangsa Masyhur Sdn. Bhd.	30,000	100	100	Property investment and development (dormant)
Taman Bestari Sdn. Bhd.	750	100	100	Property development

\# Audited by firms of auditors other than Ernst & Young PLT, Malaysia.

^ APHB 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 APHB.

* Issued and paid up capital of RM1.

(a) Impairment losses on investments in subsidiaries

The Company performed impairment reviews in respect of the investment in 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 RM14,190,000 (2021: RM36,000) 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 cost of investment. Accordingly, an impairment loss of RM13,918,000 (2021: RM4,745,000) was recognised to profit or loss during the year.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) 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 equity interest in AGCSB at a total cash consideration of RM800,000 with the intended purpose to carry out construction works.

A provisional goodwill of RM796,550 has been recognised. Management has applied the provisional goodwill measurement period which shall not exceed one year from the acquisition date, i.e., 30 September 2022, to account for this transaction.

(c) Acquisition of the remaining 10% Equity interest in Harmoni Bumiria Sdn. Bhd. ("HBSB")

On 13 January 2022, APHB acquired the balance 25,000 ordinary shares of RM1.00 each representing 10% NCI in HBSB for a total consideration of RM5,500,000. Pursuant thereto, HBSB become a wholly owned subsidiary of APHB.

(d) Change of status of Nova Fajar Development Sdn. Bhd. ("NVSB") from associate to subsidiary

During the financial year, APHB 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.

(e) Incorporation of 100% Equity Interest in Asian Pac CREC Sdn. Bhd. ("APCREC")

On 11 June 2021, APHB incorporated APCREC, a wholly-owned subsidiary of the Company with the principal activity of construction.

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

Summarised financial information of Everest Pioneer Sdn. Bhd., Harmoni Bumiria Sdn. Bhd. and Nova Fajar Development Sdn. Bhd. which has 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.	Harmoni Bumiria Sdn. Bhd.	Nova Fajar Development Sdn. Bhd.
	RM'000	RM'000	RM'000
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	232	262	2
At 31 March 2021			
NCI percentage of ownership interest and voting interest	10.00%	10.00%	0.00%
Carrying amount of NCI	713	2,546	-
Loss attributable to NCI	67	223	-

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Summarised financial information of Everest Pioneer Sdn. Bhd., Harmoni Bumiria Sdn. Bhd. and Nova Fajar Development Sdn. Bhd. which has 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.	Harmoni Bumiria Sdn. Bhd.	Nova Fajar Development Sdn. Bhd.
	RM'000	RM'000	RM'000
(i) Summarised statement of financial position			
At 31 March 2022			
Non-current assets	346	1,326	5,860
Current assets	37,056	51,089	5,722
Current liabilities	(21,596)	(29,206)	(10,600)
Non-current liabilities	(12,698)	(29,502)	-
Net assets	3,108	(6,293)	982
Equity attributable to owners of the parent	2,627	(6,293)	474
Non-controlling interests	481	-	508
	3,108	(6,293)	982
At 31 March 2021			
Non current assets	549	37,832	-
Current assets	23,131	38,027	-
Current liabilities	(15,660)	(17,912)	-
Non-current liabilities	(883)	(32,486)	-
Net assets	7,137	25,461	-
Equity attributable to owners of the parent	6,424	22,915	-
Non-controlling interests	713	2,546	-
	7,137	25,461	-
(ii) Summarised statement of profit or loss			
At 31 March 2022			
Loss for the year	2,323	2,622	4
Loss attributable to owners of the parent	2,091	2,360	2
Loss attributable to non-controlling interest	232	262	2
At 31 March 2021			
Loss for the year	666	2,232	-
Loss attributable to owners of the parent	599	2,009	-
Loss attributable to non-controlling interest	67	223	-

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Summarised financial information of Everest Pioneer Sdn. Bhd., Harmoni Bumiria Sdn. Bhd. and Nova Fajar Development Sdn. Bhd. which has 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.	Harmoni Bumiria Sdn. Bhd.	Nova Fajar Development Sdn. Bhd.
	RM'000	RM'000	RM'000
(iii) Summarised statement of cash flows			
At 31 March 2022			
Net cash generated/(used) in operating activities, representing net increase/(decrease) in cash and cash equivalents	164	(2)	9
Cash and cash equivalents at 1 April 2021	71	106	-
Cash and cash equivalents at 31 March 2022	235	104	9
At 31 March 2021			
Net cash used in operating activities, representing net decrease in cash and cash equivalents	(95)	(140)	-
Cash and cash equivalents at 1 April 2020	166	246	-
Cash and cash equivalents at 31 March 2021	71	106	-

8. INVESTMENT IN ASSOCIATES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unquoted shares in Malaysia	865	865	865	865
Share of loss	-	(2)	-	-
Transfer to investment in subsidiaries	(490)	-	(490)	-
Less: Accumulated impairment losses	(375)	(375)	(375)	(375)
	-	488	-	490

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 cumulative share of unrecognised losses at the reporting date and has no obligation in respect of these losses.

8. INVESTMENT IN ASSOCIATES (CONT'D.)

Details of the associates, which are incorporated in Indonesia and Malaysia are as follows:

Name of associate	Paid-up share capital	Direct shareholdings/ effective equity interest		Principal activities
		2022	2021	
	RM'000	%	%	
PT AP International	750	50	50	Property development and property management
Nova Fajar Development Sdn. Bhd.	490	-	49	Property development

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

	PT AP International		Nova Fajar Development Sdn. Bhd.	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(i) Summarised statement of financial position				
Non current assets	-	-	-	1,309
Current assets	8	8	-	5,429
Total assets	8	8	-	6,738
Current liabilities representing total liabilities	(910)	(910)	-	(5,752)
Net (liabilities)/assets attributable to owners of associate	(902)	(902)	-	986
(ii) Summarised statement of profit or loss				
Loss for the year	-	-	-	(4)
(iii) Reconciliation of net liabilities to the carrying amount of Group's interest in the associate				
Group's share of net (liabilities)/assets	(451)	(451)	-	483
Unrecognised losses	451	451	-	-
Carrying amount of Group's interest in associate	-	-	-	483
(iv) Group's share of results of associate	-	-	-	(2)

9. NON-CURRENT FINANCIAL ASSET

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fair value through OCI				
Non-current				
Quoted shares in Malaysia	6,556	4,856	2,150	1,593

The unrealised gain on fair valuation on non-current quoted financial asset investments amounting to RM1,700,000 (2021: RM2,914,000) and RM558,000 (2021: RM955,000) of the Group and of the Company were taken to OCI.

10. DEFERRED TAX

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 April 2021/2020	(234,833)	(241,660)	18	4
Recognised in profit or loss (Note 27)	513	6,827	-	14
At 31 March 2022/2021	(234,320)	(234,833)	18	18
Presented after appropriate offsetting as follows:				
Deferred tax assets	104	116	18	18
Deferred tax liabilities	(234,424)	(234,949)	-	-
	(234,320)	(234,833)	18	18

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	Provisions, capital allowances and unused tax losses	Total
	RM'000	RM'000	RM'000
Deferred tax (liabilities)/assets:			
At 1 April 2021	(239,640)	4,807	(234,833)
Recognised in profit or loss	1,734	(1,221)	513
At 31 March 2022	(237,906)	3,586	(234,320)
At 1 April 2020	(245,703)	4,043	(241,660)
Recognised in profit or loss	6,063	764	6,827
At 31 March 2021	(239,640)	4,807	(234,833)

10. DEFERRED TAX (CONT'D.)

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: (cont'd.)

Company	Provisions	
	2022	2021
	RM'000	RM'000
Deferred tax assets:		
As at 1 April 2021/2020	18	4
Recognised in profit or loss	-	14
As at 31 March 2022/2021	18	18

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	20,648	15,642	8,540	8,971
Unabsorbed capital allowances	441	781	-	-
Other temporary differences	22,035	24,509	-	-
	43,124	40,932	8,540	8,971
Deferred tax at Malaysian statutory tax rate, if recognised	10,350	9,824	2,050	2,153

Pursuant to new law gazetted, the ability to carry forward unutilised tax losses and unutilised reinvestment allowance is restricted to a maximum period of ten 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, subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

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.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
(a) Trade receivables	9,006	8,888	-	-
Less: Allowance for expected credit losses	(3,258)	(2,011)	-	-
	5,748	6,877	-	-
(b) Other receivables:				
Due from previous stockbroking clients	4,733	4,733	-	-
Sundry receivables	19,560	26,826	4,623	6,412
Earnest deposit	15,363	12,549	413	4,849
Other deposits	11,759	6,183	35	35
Due from associate (Note 11(c))	1,004	6,754	1,004	6,754
Due from subsidiaries (Note 11(c))	-	-	95,072	117,632
Loan assets	5,263	14,229	-	-
	57,682	71,274	101,147	135,682
Less: Allowance for expected credit losses	(10,575)	(10,588)	(5,957)	(5,957)
	47,107	60,686	95,190	129,725
Total trade and other receivables	**52,855**	**67,563**	**95,190**	**129,725**
Add: Pledged deposits with licensed banks and financial institutions with maturity of more than 3 months and restricted for use (Note 13)	11,209	3,205	-	-
Add: Cash at banks and short term deposits pledged to licensed banks and financial institutions (Note 13)	11,594	26,488	574	565
Add: Cash and cash equivalents (Note 13)	29,852	40,456	1,932	485
Total financial assets at amortised costs	105,510	137,712	97,696	130,775

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 (2021: 7 to 60 days) and 60 days (2021: 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	
	2022	2021
	RM'000	RM'000
Neither past due nor impaired	516	107
1 to 30 days past due not impaired	2,439	2,560
31 to 60 days past due not impaired	1,154	2,740
61 to 90 days past due not impaired	816	652
More than 91 days past due not impaired	823	818
	5,232	6,770
Impaired trade receivables	3,258	2,011
Total trade receivables	9,006	8,888

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.

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.

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

(a) Trade receivables (cont'd.)

Ageing analysis of trade receivables (cont'd.)

Receivables that are past due and impaired (cont'd.)

The Group's trade receivables that are individually impaired at the reporting date and the movement of the accumulated impairment losses is as follows:

	Group	
	2022	2021
	RM'000	RM'000
Trade receivables - nominal amount	3,532	2,798
Less: Accumulated allowance for expected credit losses	(3,258)	(2,011)
	274	787
At 1 April 2021/2020	(2,011)	(5)
Allowance for expected credit losses (Note 26)	(5,267)	(2,356)
Write back allowance for expected credit losses (Note 22) (Note 26)	4,020	350
At 31 March 2022/2021	(3,258)	(2,011)

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.

(b) Other receivables

At the reporting date, the Group has provided an allowance of RM4,717,000 (2021: RM4,717,000) for impairment on the amount due from previous stockbroking clients and RM5,858,000 (2021: RM5,871,000) for impairment on sundry receivables and amount due from associate. The Company has provided an allowance of RM1,004,000 (2021: RM1,004,000) for impairment on amount due from associate, RM4,514,000 (2021: 4,514,000) for impairment on sundry receivables and RM439,000 (2021: 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.

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

(b) Other receivables (cont'd.)

Movements in allowance accounts

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Other receivables:				
At 1 April 2021/2020	(10,588)	(6,114)	(5,957)	(1,443)
Allowance for expected credit losses (Note 26)	(9)	(4,530)	-	(4,514)
Write back allowance for expected credit losses (Note 22) (Note 26)	22	56	-	-
At 31 March 2022/2021	(10,575)	(10,588)	(5,957)	(5,957)

(c) Due from subsidiaries and an associate

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

The amount due from an associate is provided for in full as disclosed in Note 11(b).

(d) Contract assets in respect of property development

	Group	
	2022	2021
	RM'000	RM'000
Property development	2,222	2,848

12. SHORT TERM INVESTMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fair value through profit or loss				
Current				
Investments in unit trust fund	18,563	13,352	-	900
Investment in quoted shares	-	2,914	-	-
	18,563	16,266	-	900

13. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash at banks and on hand	31,556	47,300	1,932	485
Short term deposits with:				
Licensed banks	20,525	21,644	-	-
Financial institutions	574	1,205	574	565
Total cash and bank balances	52,655	70,149	2,506	1,050
Less: Pledged deposits with licensed banks with maturity of more than 3 months (Note 11)	(11,209)	(3,205)	-	-
Less: Cash at banks and short term deposits pledged to licensed banks and financial institutions (Note 11)	(11,594)	(26,488)	(574)	(565)
Cash and cash equivalents (Note 11)	29,852	40,456	1,932	485

Included in cash at banks of the Group are amounts of RM2,784,000 (2021: RM33,020,000) 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 RM5,306,000 (2021: RM7,046,000) 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 RM8,868,000 (2021: RM22,647,000) and RM574,000 (2021: RM565,000) 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 follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Licensed banks	1.63	2.54	-	-
Financial institutions	1.55	1.60	1.55	1.60

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

	Group		Company	
	2022	2021	2022	2021
	Days	Days	Days	Days
Licensed banks	124	81	-	-
Financial institutions	31	31	31	31

14. SHARE CAPITAL

Group and Company	Number of ordinary shares		Amount	
	2022	2021	2022	2021
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At 1 April 2021/2020	1,044,237	1,037,127	212,399	210,977
Conversion of ICULS (Note (a))	6,221	7,110	1,244	1,422
At 31 March 2022/2021	1,050,458	1,044,237	213,643	212,399

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.

During the 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 the conversion of 1,244,100 RM1.00 nominal value 5-year 3% ICULS into 6,220,500 new ordinary shares on the basis of one RM1.00 nominal value of ICULS for the five new ordinary shares of the Company.

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 will be mandatorily converted into new ordinary shares of the Company on the maturity date.

14. SHARE CAPITAL (CONT'D.)

(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	Warrants reserve	Liability component of ICULS	Total
	RM'000	RM'000	RM'000	RM'000
	(Note 15)	(Note 15)	(Note 16)	
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

	Equity component of ICULS	Warrants reserve	Liability component of ICULS	Total
	RM'000	RM'000	RM'000	RM'000
	(Note 15)	(Note 15)	(Note 16)	
At 1 April 2020	76,847	978	7,581	85,406
Interest expense on ICULS (Note 25)	-	-	421	421
Coupon payment	-	-	(2,710)	(2,710)
Conversion of ICULS	(1,209)	-	(181)	(1,390)
At 31 March 2021	75,638	978	5,111	81,727

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) 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.

A total of 87.6 million outstanding ICULS will be mandatorily converted into 438.0 million new ordinary shares of APHB upon its maturity on 25 May 2022. Accordingly, the ICULS have been removed from the Official List of Bursa Securities Malaysia Berhad ("Bursa Securities") with effect from 26 May 2022.

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 (cont'd.):

(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 26 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%

15. OTHER RESERVES AND RETAINED EARNINGS

Other reserves

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Merger reserve	(a)	-	-	78,000	78,000
Fair value adjustment reserve	(b)	2,914	1,214	956	398
Revaluation reserve	(c)	-	916	-	-
Equity component of ICULS	14(a)	74,579	75,638	74,579	75,638
Warrants reserve	(d)	978	978	978	978
		78,471	78,746	154,513	155,014

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) Revaluation reserve

The Group has in the past reclassified a subsidiary's leasehold land and building to investment property because there was a change in the use of the property. The Group used the revaluation model, whereby the subsidiary's leasehold land and building were revalued at fair value at the date of transfer to investment property. The balances in the revaluation reserve were transferred to retained earnings upon the disposal of the subsidiary's leasehold land and building within the Group during the financial year.

15. OTHER RESERVES AND RETAINED EARNINGS (CONT'D.)

Other reserves (cont'd.)

(d) 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 rights issue of ICULS.

Retained earnings

The entire retained earnings of the Company are available for distribution as single-tier dividends.

16. LOANS AND BORROWINGS

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Current					
Secured:					
Floating rate term loan	(a)	949	461	-	-
Islamic financing	(b)	43,246	16,827	-	-
Overdraft	(c)	11,125	18,923	-	-
Revolving credit	(d)	76,553	61,000	27,527	25,000
Obligation under hire purchase	(e)	21	61	-	-
ICULS	(f)	2,525	-	2,525	-
Preference shares	(g)	24,952	24,952	-	-
		159,371	122,224	30,052	25,000
Non-current					
Secured:					
Floating rate bridging and term loans	(a)	34,433	8,494	-	-
Islamic financing	(b)	294,535	325,361	-	-
ICULS	(f)	-	5,111	-	5,111
Obligation under hire purchase	(e)	-	21	-	-
Preference shares	(g)	-	24,700	-	-
		328,968	363,687	-	5,111
Total loans and borrowings		488,339	485,911	30,052	30,111

16. LOANS AND BORROWINGS (CONT'D.)

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
On demand and within 1 year	159,371	122,224	30,052	25,000
More than 1 year and less than 2 years	76,987	75,635	-	5,111
More than 2 years and less than 5 years	167,657	149,083	-	-
More than 5 years	84,324	138,969	-	-
	488,339	485,911	30,052	30,111

(a) Floating rate bridging and term loan

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 4.10% to 4.21% (2021: 4.24% to 4.69%) 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 RM5,381,000 (2021: RM5,841,000).

(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 and development properties by wholly-owned subsidiary, BH Builders Sdn. Bhd., working capital of a wholly-owned subsidiary, BH Realty Sdn. Bhd. and for the development project of Everest Pioneer Sdn. Bhd. It bears an average interest rate of 3.75% to 5.56% (2021: 4.70% to 5.95%) per annum. It is secured by charges over the Group's leasehold property as well as development costs as disclosed in Note 4(a) and 4(b), investment 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 RM374,510,000 (2021: RM351,152,000).

(c) Overdraft

Overdraft is obtained for working capital of wholly-owned subsidiary, Syarikat Kapasi Sdn. Bhd. The overdraft bears an interest rate of 6.06% and 6.45% (2021: 6.20% to 6.60%) per annum. It is secured by the subsidiaries' land held for development as well as development cost as disclosed in Note 4(b), investment properties as disclosed in Note 5 as well as certain 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 subsidiary, Syarikat Kapasi Sdn. Bhd.. These revolving credits bear an average interest rate of 4.01% to 7.41% (2021: 5.35% to 7.28%) per annum. They are secured by charges over the Group's land held for development as disclosed in Note 4(a) and investment properties as disclosed in Note 5, certain short term deposits and cash balances as disclosed in Note 13 and corporate guarantee provided by the Company amounting to RM49,000,000 (2021: RM28,327,000).

16. LOANS AND BORROWINGS (CONT'D.)

(e) Obligation under hire purchase

	Group	
	2022	2021
	RM'000	RM'000
Future minimum lease payments:		
Within and up to 1 year	21	64
After 1 year and up to 2 years	-	21
	21	85
Less: Future finance charges	-	(3)
Present value of future minimum lease payments	21	82
Present value of lease liabilities:		
Within and up to 1 year	21	61
After 1 year and up to 2 years	-	21
Present value of lease liabilities	21	82
Analysed as:		
Due within 12 months	21	61
Due after 12 months	-	21
	21	82

The hire purchase payable bear interest of 2.30% (2021: 2.30%) per annum.

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

(f) ICULS

The amount represents the liability portion of ICULS net of transaction cost as disclosed in Note 14(a).

(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.

During the financial year, 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 upon maturity on 9 June 2021.

The amount represents the liability portion of AGB's Preference Shares net of transaction cost.

16. LOANS AND BORROWINGS (CONT'D.)

(h) Changes in liabilities and ICULS arising from financing activities

Group	1 April 2021	Movements				31 March 2022
		Cash flows		Non-cash changes		
		Principal movement	Interest paid	Interest cost	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current interest-bearing loans and borrowings	333,855	20,784	(18,168)	19,526	(122)	355,875
Non-current obligations under hire purchase	21	(21)	-	-	-	-
Current interest-bearing loans and borrowings	97,211	8,229	(5,742)	5,818	(548)	104,968
Current obligations under hire purchase	61	(40)	(2)	2	-	21
ICULS	5,111	-	(2,654)	225	(158)	2,524
Preference shares	49,652	(25,000)	(2,826)	3,125	-	24,951
	485,911	3,952	(29,392)	28,696	(828)	488,339

The 'Others' column includes the effect of reclassification of non-current to current of interest-bearing loans and borrowings, reclassification of non-current to current of obligations under hire purchase, the effect of accrued interest on interest bearing loans and borrowings, conversion of ICULS and adjustment to ICULS liability.

16. LOANS AND BORROWINGS (CONT'D.)

(h) Changes in liabilities and ICULS arising from financing activities (cont'd.)

Group	1 April 2020	Movements				31 March 2021
		Cash flows		Non-cash changes		
		Principal movement	Interest paid	Interest cost	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current interest-bearing loans and borrowings	341,053	3,114	(14,062)	15,199	(11,449)	333,855
Non-current obligations under hire purchase	83	-	-	-	(62)	21
Current interest-bearing loans and borrowings	63,205	22,343	(9,020)	9,818	10,865	97,211
Current obligations under hire purchase	110	(110)	(6)	6	61	61
ICULS	7,581	-	(2,710)	421	(181)	5,111
Preference shares	49,152	-	(4,482)	5,250	(268)	49,652
	461,184	25,347	(30,280)	30,694	(1,034)	485,911

The 'Others' column includes the effect of reclassification of non-current to current of interest-bearing loans and borrowings, reclassification of non-current to current of obligations under hire purchase, the effect of accrued interest on interest bearing loans and borrowings, conversion of ICULS and adjustment to ICULS liability.

16. LOANS AND BORROWINGS (CONT'D.)

(h) Changes in liabilities and ICULS arising from financing activities (cont'd.)

Company	1 April 2021	Movements				31 March 2022
		Cash flows		Non-cash changes		
		Principal movement	Interest paid	Interest cost	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current interest-bearing loans and borrowings	25,000	3,000	(1,858)	1,858	(472)	27,528
ICULS	5,111	-	(2,654)	225	(158)	2,524
	30,111	3,000	(4,512)	2,083	(630)	30,052

Company	1 April 2020	Movements				31 March 2021
		Cash flows		Non-cash changes		
		Principal movement	Interest paid	Interest cost	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current interest-bearing loans and borrowings	25,000	-	(1,796)	1,796	-	25,000
ICULS	7,581	-	(2,710)	421	(181)	5,111
	32,581	-	(4,506)	2,217	(181)	30,111

The 'Others' column includes the effect reclassification of non-current to current of obligations under hire purchase, the effect of accrued interest on interest bearing loans and borrowings, conversion of ICULS and adjustment to ICULS liability.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	10,658	6,753	-	-
Trade accruals	23,083	16,005	-	-
	33,741	22,758	-	-
Other payables				
Deposits from property purchasers	-	1,820	-	-
Deposits from tenants	16,212	23,201	-	-
Interest payables	1,618	1,421	406	333
Accruals	3,953	2,647	876	599
Purchase consideration payable for the project land acquisition	15,000	30,000	-	-
Purchase consideration payable for the acquisition of a subsidiary	3,514	4,426	3,514	4,426
Service tax payable	387	321	-	-
Due to subsidiaries	-	-	1,001	27,939
Others	5,238	5,586	-	44
	45,922	69,422	5,797	33,341
	79,663	92,180	5,797	33,341
Non-current				
Trade payables				
Retention sum payable	2,287	1,749	-	-
Other payables				
Deposits from tenants	7,996	905	-	-
Purchase consideration payable for the project land acquisition	110,984	113,551	-	-
Purchase consideration payable for the acquisition of a subsidiary	11,477	12,705	11,477	12,705
	130,457	127,161	11,477	12,705
	132,744	128,910	11,477	12,705
Total trade and other payables	212,407	221,090	17,274	46,046
Less: Service tax payable	(387)	(321)	-	-
Add: Loans and borrowings (Note 16)	488,339	485,911	30,052	30,111
Add: Lease liabilities (Note 18)	2,449	1,966	-	-
Total financial liabilities carried at amortised cost	702,808	708,646	47,326	76,157

17. TRADE AND OTHER PAYABLES (CONT'D.)

Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 to 60 days (2021: 30 to 60 days).

18. LEASE LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
At 1 April 2021/2020	1,966	1,492
Additions	2,203	1,426
Accretion of interest	176	109
Payments	(1,896)	(1,061)
At 31 March 2022/2021	2,449	1,966
Due within 12 months	1,670	998
Due after 12 months	779	968
	2,449	1,966

The lease liabilities bear interest between 4.01% to 6.70% (2021: 4.80% 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.

The expenses relating to payments not included in the measurement of the lease liability during the financial year are as follows:

	Group	
	2022	2022
	RM'000	RM'000
Expenses relating to short-term leases (included in other expenses) (Note 26)	48	54
Expenses relating to leases of low-value assets (included in other expenses) (Note 26)	96	64

As at the reporting date, the Group was committed to short-term leases of RM222,000 (2021: RM258,000).

19. PROVISIONS

	Group	
	Provision for property development obligations	
	2022	2021
	RM'000	RM'000
At 1 April 2021/2020	20,599	12,253
Reduction	(2,948)	-
Addition	1,497	8,346
At 31 March 2022/2021	19,148	20,599

20. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from contract with customers	88,473	48,725	4,181	4,422
Revenue from other sources:				
Interest income	9	11	9	11
Rental income (Note 5)	50,185	38,653	-	-
Dividend income from other investment	-	863	-	-
Dividend income from subsidiaries	-	-	1,900	-
	138,667	88,252	6,090	4,433
Disaggregation of the revenue from contract with customers:				
Type of goods and services				
Sale of development properties	3,233	36,767	-	-
Sale of project	42,000	-	-	-
Sale of building materials	-	351	-	351
Sale of inventories of completed properties	35,381	4,470	-	-
Car park operations	7,381	6,959	-	-
Property management income	478	178	-	-
Management fees from subsidiaries	-	-	4,181	4,071
	88,473	48,725	4,181	4,422

20. REVENUE (CONT'D.)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Geographical market				
Malaysia	88,473	48,725	4,181	4,422

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Timing of revenue recognition				
- at a point in time	85,240	11,958	4,181	4,422
- over time	3,233	36,767	-	-
	88,473	48,725	4,181	4,422

21. COST OF SALES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Property development costs (Note 4(b))	4,238	26,110	-	-
Cost of project (Note 4(b))	39,677	-	-	-
Cost of building materials	-	301	-	301
Car park operations	3,290	3,489	-	-
Cost of inventories sold (Note 4(c))	22,296	3,547	-	-
Property management operation costs (Note 5)	14,499	14,029	-	-
Others	899	43	-	-
	84,899	47,519	-	301

22. OTHER INCOME

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Administration charges	150	81	-	-
Gain on changes in fair value of investment properties	1,870	6,100	-	-
Gain on disposal of property, plant and equipment	20	1	-	-
Gain on fair value adjustments of financial assets at fair value through profit or loss	513	1,186	3	50
Gain on investment of loan asset				
- interest income	7,963	15,509	-	-
- net reversal of expected credit loss from loan assets	-	1,019	-	-
Gain on disposal of quoted investment	600	5,980	-	-
Gain on remeasurement of contingent consideration	2,112	-	2,112	-
Other interest income	676	764	26	-
Overdue interest income	180	152	-	84
Purchasers' deposit forfeited	147	414	-	-
Reversal of impairment loss on investment in subsidiaries (Note 7(a))	-	-	14,190	36
Reversal of provision for property development obligations	2,948	-	-	-
Unwinding of discount on long term liabilities	53	132	-	-
Write back of allowance for expected credit losses (Note 11(a),(b))	4,042	406	-	-
Miscellaneous income	329	1,409	4	-
	21,603	33,153	16,335	170

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	17,034	15,087	2,496	2,174
Contributions to defined contribution plan	2,165	1,950	399	388
Social security contributions	138	122	7	1
Other employee benefits	1,801	1,531	230	135
Employee benefits expense (Note 26)	21,138	18,690	3,132	2,698

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM2,224,000 (2021: RM2,236,000) and RM1,683,000 (2021: RM1,696,000) respectively as further disclosed in Note 24.

24. DIRECTORS' REMUNERATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration (Note 23):				
Salaries and other emoluments	2,224	2,236	1,683	1,696
Non-executive Directors' remuneration (Note 26):				
Fees and other emoluments	435	457	284	308
Total Directors' remuneration	2,659	2,693	1,967	2,004

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	Fees	Total
	RM'000	RM'000	RM'000
At 31 March 2022			
Executive			
Dato' Mustapha bin Buang	1,683	-	1,683
Dr. Yu Tat Loong*	541	-	541
	2,224	-	2,224

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	Fees	Total
	RM'000	RM'000	RM'000
At 31 March 2022			
Non-executive			
Tan Sri Dato' Seri 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
	33	402	435
	2,257	402	2,659
At 31 March 2021			
Executive			
Dato' Mustapha bin Buang	1,696	-	1,696
Dr. Yu Tat Loong*	540	-	540
	2,236	-	2,236
Non-executive			
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas*	5	144	149
Datuk Mohamed Salleh Bin Bajuri	5	108	113
Tan Siew Poh	5	60	65
Soon Dee Hwee	5	60	65
Sherman Lam Yuen Suen	5	60	65
	25	432	457
	2,261	432	2,693

* The above Director's remuneration was paid by subsidiary companies.

24. DIRECTORS' REMUNERATION (CONT'D.)

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:

	2022	2021
Executive Directors:		
RM 350,001 - RM 550,000	1	1
RM 550,001 - RM 750,000	-	-
RM 1,550,001 - RM 1,750,000	1	1
RM1,750,001 - RM1,950,000	-	-
Non-executive Directors:		
Below RM50,000	1	-
RM50,001 - RM100,000	2	3
RM100,001 - RM150,000	2	2

25. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Hire purchase	2	6	-	-
Bank borrowings	28,630	30,377	1,858	1,796
ICULS (Note 14 (a))	225	421	225	421
Unwinding of discount	7,301	11,368	461	422
	36,158	42,172	2,544	2,639
Less:				
Interest expense capitalised under:				
Land held for development in respect of qualifying assets (Note 4(a))	(7,337)	(6,233)	-	-
Property development costs in respect of qualifying assets (Note 4(b))	(2,011)	(1,759)	-	-
	26,810	34,180	2,544	2,639

26. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense (Note 23)	21,138	18,690	3,132	2,698
Non-executive Directors' remuneration (Note 24)	435	457	284	308
Auditors' remuneration				
- statutory audit	366	363	75	75
- other services	7	7	7	7
- under provision in prior year	100	-	22	-
Depreciation of property, plant and equipment (Note 3)	3,455	2,691	5	5
Net loss on changes in fair value of investment properties (Note 5)	11,130	30,894	-	-
Gain on remeasurement of contingent consideration	(2,112)	-	(2,112)	-
Gain on disposal of property, plant and equipment	(20)	(1)	-	-
Loss/(gain) on fair value adjustments of financial assets at fair value through profit or loss	54	(1,186)	(3)	(50)
Impairment on:				
- investment in subsidiaries (Note 7(a))	-	-	13,918	4,745
- intangible asset (Note 6)	57	94	-	-
- trade and other receivables (Note 11(a),(b))	5,276	6,886	-	4,514
Expenses relating to short-term leases (Note 18)	48	54	-	-
Write-off of property, plant and equipment	3	1	-	-
Reversal of impairment loss on investment in subsidiaries (Note 7(a))	-	-	(14,190)	(36)
Unwinding of discount	(53)	(132)	-	-
Write back of impairment for expected credit losses (Note 11(a),(b)) (Note 22)	(4,042)	(406)	-	-
Expenses relating to leases of low-value assets (Note 18)	96	64	-	-
Loss on land compensation	-	42	-	-
Reversal of provision for property development obligations	(2,948)	-	-	-

27. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Statement of profit or loss				
Income tax:				
Current year tax expense	903	4,567	2	19
Under/(over) provision of tax in prior years	76	(283)	-	-
	979	4,284	2	19
Deferred tax (Note 10):				
Relating to origination and reversal of temporary differences	(641)	(7,044)	-	(14)
Under provision in prior years	128	217	-	-
	(513)	(6,827)	-	(14)
Total income tax expense/(credit)	466	(2,543)	2	5

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

The reconciliation between tax expense/(credit) and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 March 2022 and 2021 are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before tax	(4,307)	(33,150)	1,490	(11,113)
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	(1,034)	(7,956)	358	(2,667)
Income not subject to tax	(5,819)	(5,201)	(4,377)	(25)
Expenses not deductible for tax purposes	6,589	6,625	4,124	1,830
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	-	(148)	(103)	-
Deferred tax recognised at different rate	-	(273)	-	-
Deferred tax assets not recognised in respect of current year's unutilised tax losses, unabsorbed capital allowance and other temporary differences	526	4,476	-	867
Under/(over) provision of income tax expense in prior years	76	(283)	-	-
Under provision of deferred tax in prior years	128	217	-	-
Tax expense/(credit) for the year	466	(2,543)	2	5

28. LOSS PER SHARE

(a) Basic

Basic loss per share ("LPS") amounts are calculated by dividing the 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	
	2022	2021
Loss for the year attributable to ordinary equity holders of the Company (RM'000)	(4,277)	(30,317)
Weighted average number of ordinary shares in issue ('000)	1,049,662	1,038,634
Assumed full conversion of ICULS ('000)	438,389	444,610
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,488,051	1,483,244
Basic LPS attributable to ordinary equity holders of the Company		
- Before mandatory conversion of ICULS (sen)	(0.4)	(2.9)
- After mandatory conversion of ICULS (sen)	(0.3)	(2.0)

(b) Diluted

For the purpose of calculating diluted LPS, the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the current financial year have been adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2022	2021
Loss for the year attributable to ordinary equity holders of the Company (RM'000)	(4,277)	(30,317)
Weighted average number of ordinary shares in issue ('000)	1,049,662	1,038,634
Effects of dilution:		
Assumed full conversion of ICULS ('000)	438,389	444,610
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,488,051	1,483,244
Diluted LPS attributable to ordinary equity holders of the Company after mandatory conversion of ICULS (sen)	(0.3)	(2.0)

* The assumed exercise of warrants at average market price in the current financial year would be anti-dilutive in nature. Accordingly, it is disregarded in the computation of the diluted loss per share.

29. DIVIDENDS

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

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.

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	
	2022	2021
	RM'000	RM'000
Not later than 1 year	46,020	45,512
Later than 1 year but not later than 3 years	48,305	50,883
	94,325	96,395

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

COVID-19 pandemic

The business operations of the Group continued to be impacted by the economic uncertainty and social distancing measures under the COVID-19 pandemic in the first half of the financial year ended 31 March 2022. However, the roll-out of the National Recovery Plan by the Government to push ahead to open economies with the resumption of domestic travels and gradual re-opening of international borders in the second half of the financial year ended 31 March 2022 provides a positive outlook globally and across Malaysia.

Barring unforeseen circumstances and subject to the successful containment of a fresh outbreak of COVID-19 virus and the emergence of new virus strains, the Group's property development, mall operations and car park segments are poised for a long-awaited rebound, boosted by the gradual recovery of the market and consumer sentiments.

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	
	2022	2021
	RM'000	RM'000
Lease paid/payable to a company with common substantial shareholder	476	712
Car park management revenue from a group of companies with common substantial shareholder	1,345	1,100
Introducer fees paid/payable to a substantial shareholder of the Company	-	1,798

	Company	
	2022	2021
	RM'000	RM'000
Gross dividend income from subsidiaries	1,900	-
Management fees charged to subsidiaries	4,181	4,071

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.

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.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

The fair value of all unexpired financial guarantees issued by the Company were deemed nil and were not recognised as financial liabilities, as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed party defaulting within the guaranteed period were assessed to be remote.

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.

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

Fair value hierarchy (cont'd.)

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.

As at 31 March 2022 and 31 March 2021, the Group and the Company held the following assets carried at fair value in the statements of financial position:

	2022	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
Group				
Assets measured at fair value				
Non-current financial asset:				
Quoted shares in Malaysia	6,556	6,556	-	-
Investment properties	1,276,340	-	-	1,276,340
Current financial asset:				
Short term investments	18,563	18,563	-	-
Company				
Assets measured at fair value				
Non-current financial asset:				
Quoted shares in Malaysia	2,150	2,150	-	-

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

Fair value hierarchy (cont'd.)

	2021	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
Group				
Assets measured at fair value				
Non-current financial asset:				
Quoted shares in Malaysia	4,856	4,856	-	-
Investment properties	1,287,470	-	-	1,287,470
Current financial asset:				
Short term investments	16,266	16,266	-	-
Company				
Assets measured at fair value				
Non-current financial asset:				
Quoted shares in Malaysia	1,593	1,593	-	-
Current financial asset:				
Short term investments	900	900	-	-

During the financial year ended 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 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.

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 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:

	2022		2021	
	RM'000	% of total	RM'000	% of total
Group				
By business segments:				
Property development	853	15%	2,200	32%
Mall operations	4,146	72%	4,446	64%
Car park operations	383	7%	192	3%
Others	366	6%	39	1%
	5,748	100%	6,877	100%

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's 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.

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

(b) Liquidity risk (cont'd.)

At the reporting date, approximately 33% (2021: 25%) 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	More than one year less than five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
2022				
Group				
Financial liabilities:				
Trade and other payables (excluding service tax payable)	79,424	132,744	-	212,168
Loans and borrowings	148,504	285,852	90,705	525,061
Lease liabilities	1,497	798	-	2,295
ICULS	2,525	-	-	2,525
Preference shares	25,000	-	-	25,000
Total undiscounted financial liabilities	256,950	419,394	90,705	767,049
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
Total undiscounted financial liabilities*	36,322	11,477	-	47,799

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	More than one year less than five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
2021				
Group				
Financial liabilities:				
Trade and other payables (excluding service tax payable)	91,859	128,910	-	220,769
Loans and borrowings	120,782	250,962	152,643	524,387
Lease liabilities	1,088	1,012	-	2,100
ICULS	-	5,111	-	5,111
Preference shares	25,449	27,824	-	53,273
Total undiscounted financial liabilities	239,178	413,819	152,643	805,640
Company				
Financial liabilities:				
Trade and other payables (excluding service tax payable)	33,341	12,705	-	46,046
Loans and borrowings	26,820	-	-	26,820
ICULS	-	5,111	-	5,111
Total undiscounted financial liabilities*	60,161	17,816	-	77,977

* At the reporting date, the counterparty to the financial guarantees do not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of MFRS 9 are not included in the above maturity profile analysis.

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

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arise primarily from the short term deposits and loans and borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's and the Company's loss net of tax arising as a result of lower/higher interest income on short term deposits and interest expense on floating rate loans and borrowings would have the following effects:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Loss net of tax	(308)	(206)	(21)	(19)

(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.

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 2022 and 31 March 2021.

36. CAPITAL MANAGEMENT (CONT'D.)

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	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Loans and borrowings	16	488,339	485,911	30,052	30,111
Trade and other payables	17	212,407	221,090	17,274	46,046
Lease liabilities	18	2,449	1,966	-	-
Less: Cash and bank balances	13	(52,655)	(70,149)	(2,506)	(1,050)
Net debt		650,540	638,818	44,820	75,107
Equity attributable to the owners of the parent, representing total capital		1,060,235	1,065,871	518,965	516,762
Capital and net debt		1,710,775	1,704,689	563,785	591,869
Gearing ratio		38.0%	37.5%	7.9%	12.7%

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.

37. SEGMENT INFORMATION (CONT'D.)

	Investment holding and others		Property development		Property investment						Adjustments and eliminations		Note	Consolidated	
					Land and office properties		Car park operations		Mall operations						
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue:															
External customers	486	1,403	80,615	41,237	1,506	1,267	7,381	6,959	48,679	37,386	-	-		138,667	88,252
Inter-segment	22,025	4,088	-	9,662	-	-	122	143	19,158	16,788	(41,305)	(30,681)	A	-	-
Total revenue	22,511	5,491	80,615	50,899	1,506	1,267	7,503	7,102	67,837	54,174	(41,305)	(30,681)		138,667	88,252
Interest income	34	12	8,659	672	58	-	36	34	47	57	(8,149)	-		685	775
Depreciation	235	12	2,058	1,405	11	11	180	191	971	1,072	-	-		3,455	2,691
Other non-cash expenses	472	422	6,785	8,841	-	-	-	-	44	139	-	2,008	B	7,301	11,410
Impairment of assets	27,377	13,930	(503)	5	-	-	(870)	6,940	17,770	32,401	(27,311)	(15,402)	C	16,463	37,874
Segment (loss)/profit	(8,539)	2,410	(9,090)	(10,456)	2,008	5,818	2,940	(4,863)	4,006	(32,306)	4,368	6,247		(4,307)	(33,150)
Assets and liabilities:															
Additions to non-current assets	369	18	227	553	-	-	9	246	121	228	-	-		726	1,045
Segment assets	40,954	54,680	555,466	586,241	186,286	169,595	121,843	118,365	1,024,033	1,021,080	90,142	85,650	D	2,018,724	2,035,611
Segment liabilities	342,325	105,162	(68,404)	379,914	18,200	12,267	10,826	9,313	592,575	406,733	61,978	53,092	E	957,500	966,481

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	2022 RM'000	2021 RM'000
Unwinding interest	25	7,301	11,368
Loss on land compensation	26	-	42
		7,301	11,410

C Impairment of assets consists of:

	Note	2022 RM'000	2021 RM'000
Impairment on intangible asset	6	57	94
Fair value adjustment on investment properties	5	11,130	30,894
Impairment in trade and other receivables	26	5,276	6,886
		16,463	37,874

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

	2022 RM'000	2021 RM'000
Land held for property development	51,637	51,636
Intangible asset	38,976	37,276
Property development costs	2,628	3,623
Investment properties	(2,598)	(4,139)
Inventories - completed properties	(501)	(2,746)
	90,142	85,650

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

	2022 RM'000	2021 RM'000
Deferred tax liabilities	66,118	66,117
Lease creditors	(4,140)	(4,139)
Tax payable	-	(8,886)
	61,978	53,092

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 2022.

39. SUBSEQUENT EVENTS

(a) Redemption of Preference Shares by AGB

On 28 May 2019, 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 a 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.

During the financial year, 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 upon maturity on 9 June 2021.

On 9 June 2022, AGB has fully redeemed the entire 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 maturity.

(b) Conversion of ICULS and Expiry of Warrants

A total of 87.6 million outstanding ICULS had been mandatorily converted into 438.0 million new ordinary shares of APHB at the conversion price of RM0.20 for every one (1) new ordinary share upon its maturity on 25 May 2022. Accordingly, the ICULS have been removed from the Official List of Bursa Securities with effect from 26 May 2022.

The unexercised warrants of 198,512,922 have lapsed and become null and void on its expiry date on 25 May 2022. Accordingly, the warrants have been removed from the Official List of Bursa Securities with effect from 26 May 2022.

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

On 9 May 2022, APHB acquired one ordinary share representing 100% of the issued and paid up share capital of KPSB for a total cash consideration of RM1.

List of **Properties Held**

AS AT 31 MARCH 2022

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	7	803,601 sq. ft. & 315,403 sq. ft.	1,054,290	31/03/2022
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	381,952	31/03/2022
HSD 28646, Lot No. PT 4021, Mukim of Semenyih, District of Ulu Langat, Selangor	Land	Investment Property	Freehold	NA	91.37 acres	87,000	31/03/2022
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	51,000	31/03/2022
Title No. TL 17540500 Kota Kinabalu, Sabah	Ground and basement carpark	Carpark operations	Leasehold Expires : 31/12/2080	14	142,000 sq. ft.	36,500	31/03/2022
Town Lease 017514617 Likas, District of Kota Kinabalu, Sabah	Land	Property under development	Leasehold expires : 22/12/2063	NA	1.85 acre	41,246	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	32,924	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	31/03/2022
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	36,570	01/08/2019

Statement of **Securities Holders**

ORDINARY SHARES AS AT 21 JULY 2022

Issued and paid-up capital : RM301,320,591.00
No. of Holders : 13,926
Voting Rights : One vote per share

DISTRIBUTION OF SHAREHOLDERS/DEPOSITORS

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 – 99	220	1.579	4,339	0.000
100 – 1,000	2,999	21.535	2,782,100	0.186
1,001 – 10,000	6,776	48.657	32,069,600	2.153
10,001 – 100,000	3,106	22.303	116,567,801	7.829
100,001 – 74,442,344	822	5.902	896,352,351	60.204
74,442,345 and above	3	0.021	441,070,724	29.624
Total	**13,926**	**100.000**	**1,488,846,915**	**100.000**

LIST OF THIRTY LARGEST SHAREHOLDERS/DEPOSITORS

No.	Name	No. of Shares Held	% of Issued Capital
1.	RHB Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Mah Sau Cheong	180,100,000	12.096
2.	Mah Sau Cheong	120,000,000	8.059
3.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	77,000,000	5.171
4.	South Malaysia Industries Berhad	69,166,000	4.645
5.	Mah Sau Cheong	63,970,724	4.296
6.	Amsec Nominees (Tempatan) Sdn Bhd Ambank (M) Berhad for Tan Boon Seng	45,458,500	3.053
7.	RHB Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Puncak Darul Naim Sdn Bhd	43,500,000	2.921
8.	RHB Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Bandar Sri Tujuh Sdn Bhd	33,300,000	2.236
9.	Dato' Mustapha Bin Buang	29,729,485	1.996
10.	Seraya Kota Sdn Bhd	20,890,900	1.403
11.	Leow Hong Yen	20,000,000	1.343
12.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	18,000,000	1.208
13.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Sau Cheong	17,000,000	1.141
14.	Peh Lai Yian	14,306,200	0.960
15.	Chin Khee Kong & Sons Sendirian Berhad	13,011,800	0.873
16.	Mah Wee Hian @ Mah Siew Kung	11,523,300	0.773
17.	RHB Nominees (Tempatan) Sdn Bhd OSK Trustees Berhad for The Divine Vision Trust	9,932,350	0.667
18.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Douglas Cheng Heng Lee	9,930,000	0.666

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

No.	Name	No. of Shares Held	% of Issued Capital
19.	Chang Fai Ann	9,507,100	0.638
20.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Kuan Fong	8,851,900	0.594
21.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Boon Seng	8,821,400	0.592
22.	Choo Lye Hock	8,441,400	0.566
23.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	8,280,950	0.556
24.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	7,430,850	0.499
25.	Che Norsiah Binti Mohd Shariff	7,015,200	0.471
26.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd	6,350,282	0.426
27.	Taman Bunga Merlimau Sdn Bhd	5,782,000	0.388
28.	Chin Sin Lin	5,610,400	0.376
29.	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Puncak Darul Naim Sdn Bhd	5,600,000	0.376
30.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	5,463,550	0.366
	Total	**883,974,291**	**59.373**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDER

	No. of Shares Held			
	Direct	%	Indirect	%
Mah Sau Cheong	476,070,724	31.98	*5,260,000	0.35

DIRECTORS' INTEREST IN SHARES

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri 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	-	-
Ms Soon Dee Hwee *(Resigned on 5/7/2022)*	-	-	-	-
Dr. Yu Tat Loong	-	-	-	-
Mr Sherman Lam Yuen Suen	-	-	-	-
Mr Chai Yee Choong	-	-	-	-

Note:
** Deemed interest by virtue of his spouse.*

ICULS and Warrants 2017/2022

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.

Notice of
Annual General Meeting

NOTICE IS HEREBY GIVEN that the 104th Annual General Meeting ("AGM") of the Company will be conducted on a virtual basis at the Broadcast Venue at 12th Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur on Tuesday, 13 September 2022 at 11.00 a.m. to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 and the Reports of the Directors and Auditors. **[Please refer Explanatory Note 4 (a)]**

2. To re-elect the following Directors of the Company who retire by rotation and being eligible offer themselves for re-election in accordance with Clause 23.4 of the Company's Constitution:

   (i) Datuk Mohamed Salleh Bin Bajuri **Resolution 1**
   (ii) Dato' Mustapha Bin Buang **Resolution 2**

3. To re-elect Mr. Chai Yee Choong who retire by rotation and being eligible offer himself for re-election in accordance with Clause 23.3 of the Company's Constitution. **Resolution 3**

4. **(a) Additional Directors' fees from 1 April 2022 until 30 September 2022** **Resolution 4**

   To approve the payment of additional Directors' Fees of RM191,000.00 to the Non-Executive Directors of the Company and subsidiary for the period from 1 April 2022 to 30 September 2022.

   (b) Directors' Fees for the period from 1 October 2022 until 30 September 2023 **Resolution 5**

   To approve the payment of Directors' Fees up to RM432,000.00 payable to the Non-Executive Directors of the Company and subsidiary for the period from 1 October 2022 until 30 September 2023.

   (c) Meeting Allowances to Non-Executive Directors **Resolution 6**

   To approve the payment of meeting allowances up to an amount of RM25,000.00 from 14 September 2022 until the next AGM of the Company.

5. To re-appoint Messrs. Ernst & Young PLT as the Company's Auditors to hold office for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolutions with or without modifications as:

   Ordinary Resolutions

   a) Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 **Resolution 8**

   THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit PROVIDED that the aggregate number of shares to be issued for such person or persons whomever does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.

b) Retention of Independent Non-Executive Director — **Resolution 9**

THAT authority be and is hereby given to Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr. Hj Megat Khas who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company from 14 September 2022 to 31 May 2023.

7. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

Chan Yoon Mun SSM PC No: 202008000391/MAICSA 0927219
Ooi Mei Ying SSM PC No: 202008000797/MAICSA 7051036
Secretaries

Kuala Lumpur
30 July 2022

Notes:

1. Broadcast Venue

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 ("**the Act**") which requires the Chairman of the Meeting to be at the main venue of the meeting. **No members/proxies** are allowed to attend the 104th AGM in person at the Broadcast Venue on the day of 104th AGM.

2. Members Entitled To Attend

In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 September 2022 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 104th AGM.

3. Appointment of Proxy

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (but not more than two [2] proxies) to attend and vote in his stead. A proxy may or need not be a member of the Company.

(b) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(e) An instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or by his/her attorney and in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

(f) An instrument appointing a proxy must be deposited at the office of Poll Administrator, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, either (i) by hand/post; or (ii) by facsimile at Poll Administrator's fax no. 03-2783 9222 or (iii) via email to is.enquiry@my.tricorglobal.com or via Tricor's TIIH online website at https://tiih.online not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. You will receive an email to notify you that the remote participation is available for registration via Online website at https://tiih.online.

4. Explanatory Notes on Ordinary Business

(a) Item 1 of the Agenda: To receive the Audited Financial Statements for the financial year ended 31 March 2022
This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item will not be put forward for voting.

(b) Items 2 and 3 of the Agenda: Resolutions 1 to 3 - Re-election of Directors
Clause 23.4 of the Constitution of the Company states that 1/3 of the Directors or if the number is not three (3) or a multiple of three (3), then the number nearest to 1/3 shall retire from office and each Director shall retire from office once at least in every three (3) years. Following thereto, Datuk Mohamed Salleh Bin Bajuri and Dato' Mustapha Bin Buang are due to retire at the 104th AGM and being eligible for re-election.

In determining the eligibility of the Directors to stand for re-election at the 104th AGM, the Board through the Nomination Committee ("NC") had considered the following:

(i) performance and contribution of individual Directors based on the Self-Appraisal;
(ii) level of contribution to the Board as a whole and all the Board Committees as well as deliberations on their skills, experience and strength in qualities; and
(iii) level of objectivity, impartiality and their abilities to act in the best interest of the Company.

The NC had considered the results of the assessments conducted on these two (2) Directors on areas which include time commitment, contributions, experience and competence to discharge their respective roles as Directors. The Board endorsed the NC's recommendations and were satisfied that both Directors have met the performance criteria set out in the assessments in discharge of their duties and responsibilities. The Board hereby recommends the re-election of both Datuk Mohamed Salleh Bin Bajuri and Dato' Mustapha Bin Buang at the 104th AGM.

Clause 23.3 of the Constitution of the Company states that any director who is appointed either to fill the casual vacancy or as an addition to the existing Board shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are retire by rotation at the AGM. Following thereto, Mr. Chai Yee Choong who was appointed on 1 June 2022 is due to retiring at the 104th AGM and being eligible for re-election.

The appointment of Mr. Chai Yee Choong was based on his vast experience in corporate finance and asset management, the Board is confident that Mr. Chai Yee Choong would further strengthen the Board composition. The Board hereby recommends the re-election of Mr. Chai Yee Choong at the 104th AGM.

All the retiring Directors referred to Resolutions 1 to 3 have consented to their re-election and will abstain from voting on the resolution in respect of their re-election at the 104th AGM.

(c) Item 4 of the Agenda: Resolutions 4 to 6 - Directors' Fees and meeting allowances to Non-Executive Directors
Pursuant to Section 230(1) of the Act, fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting.

The details of the fees and meeting allowances payable to the Non-Executive Directors are as follows:

Directors' Fees (per annum)	
Chairman of the Board	- RM144,000/-
Chairman of the Audit and Risk Management Committee	- RM108,000/-
Other Non-Executive Director	- RM60,000/-
Meeting Allowance (per meeting day)	
Non-Executive Director	- RM1,000/-

Resolutions 4 to 6 - Payments of additional Directors' fees, Directors' fees and meeting allowances will be made by the Company on a monthly basis and as and when incurred respectively. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' Fees and meeting allowances on a monthly basis and as and when incurred respectively, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiary.

5. Explanatory Notes on Special Business:

(a) Item 6(a) of the Agenda: Resolution 8 - Authority to issue shares pursuant to Sections 75 & 76 of the Companies Act 2016

The proposed Resolution 8, if passed, is a renewal of general mandate to empower the Directors of the Company, from the date of the above AGM, to issue a maximum of up to ten percent (10%) of the issued and paid-up 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 next AGM of the Company.

The general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition.

There were no Shares issued from the previous mandate given to the Directors at the last AGM held on 29 September 2021, which will lapse upon conclusion of the forthcoming 104th AGM.

(b) Item 6(b) of the Agenda: Resolution 9 – Proposed Retention of Independent Non-Executive Director

The NC of the Company (the interested party was abstained from participating in the assessment) had assessed the independence of Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas who had served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and recommended him to continue to act as Independent Non-Executive Director of the Company from the period of 14 September 2022 to 31 May 2023 based on the following justifications:

(i) he has fulfilled the criteria under the definition of an Independent Director as stated in Paragraph 1.01 of Bursa Securities Listing Requirements;

(ii) he has vast experience, knowledge and skills in a diverse range of businesses and therefore continually provide constructive opinion, counsel, oversight and guidance as Director. His insights and guidance provide impartiality to matters considered at the Board and Committee;

(iii) he, together with the other Independent Directors, each function as a check and balance to the Board and in the exercise of objectivity as Independent Director;

(iv) The length of time that he has demonstrated in his role has not interfered with his ability to exercise independent judgement as Independent Director; and

(v) he has devoted sufficient time and attention to his professional obligations to the Company required for informed and balanced decision making.

The Board endorsed the NC's recommendation and recommended that Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas be retained as Independent Non-Executive Director of the Company subject to the shareholders' approval through a two-tier voting process as described in the Practice 5.3 of the Malaysian Code on Corporate Governance.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There is no person standing for election as Director of the Company at this Annual General Meeting.

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PROXY FORM

104th 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 104th 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 Tuesday, 13 September 2022 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 Datuk Mohamed Salleh Bin Bajuri		
2	To re-elect Dato' Mustapha Bin Buang		
3	To re-elect Mr. Chai Yee Choong		
4	To approve the payment of additional Directors' Fees from 1 April 2022 until 30 September 2022		
5	To approve the payment of Directors' Fees from 1 October 2022 until 30 September 2023		
6	To approve the payment of meeting allowances from 14 September 2022 until next AGM		
7	To re-appoint Messrs. Ernst & Young PLT as Auditors		
8	To authorize Directors to issue shares pursuant to S75 and S76 of the Companies Act 2016		
9	To retain Tan Sri Dato' Seri Hj Megat Najmuddin as Independent Non-Executive Director		

Signed this _____ day of _____ 2022

_____
Signature of Member

Notes:

1. **Broadcast Venue**
   The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. **No members/proxies** are allowed to attend the 104th AGM in person at the Broadcast Venue on the day of 104th AGM.
2. **Members Entitled To Attend**
   In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 September 2022 (General Meeting Record of Depositors) shall be entitled to participate and vote at the 104th AGM.
3. **Appointment of Proxy**
   (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (but not more than two [2] proxies) to attend and vote in his stead. A proxy may or need not be a member of the Company.
   (b) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
   (c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
   (d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
   (e) An instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or by his/her attorney and in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.
   (f) An instrument appointing a proxy must be deposited at the office of Poll Administrator, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, either (i) by hand/post; or (ii) by facsimile at Poll Administrator's fax no. 03-2783 9222 or (iii) via email to is.enquiry@my.tricorglobal.com or via Tricor's TIIH Online website at https://tiih.online not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. You will receive an email to notify you that the remote participation is available for registration via Online website at https://tiih.online.

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AFFIX
STAMP

The Share Registrar
ASIAN PAC HOLDINGS BERHAD
[Company No. 191301000011 (129-T)]
c/o Tricor Investor and Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur.

1st fold here

ASIAN PAC HOLDINGS BERHAD

Company No. 191301000011 (129-T)