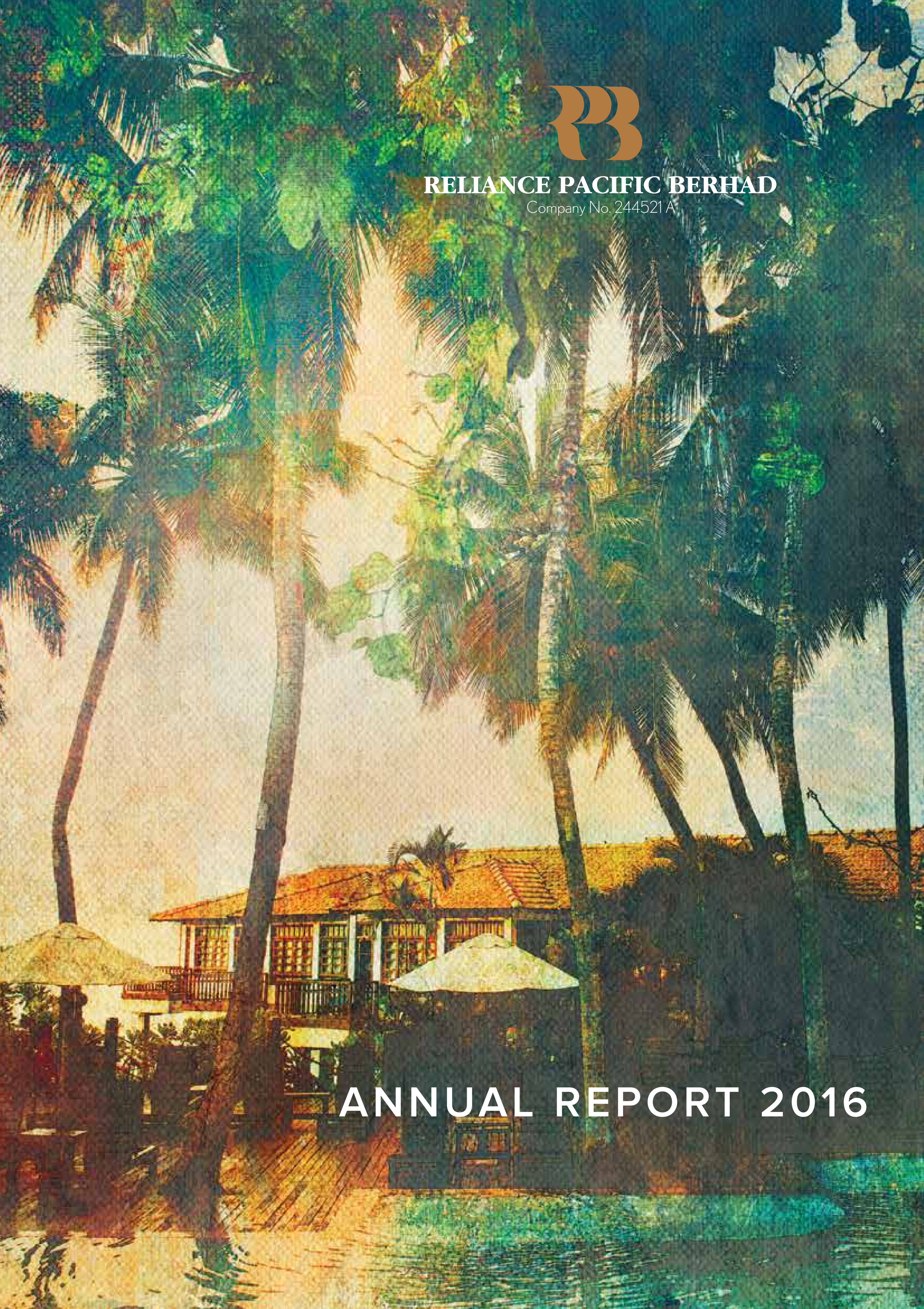

RELIANCE PACIFIC BERHAD

Company No. 244521 A

ANNUAL REPORT 2016

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FINANCIAL STATEMENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Chairman)

See Ah Sing
(Managing Director)
(Appointed on 15 July 2016)

Datin Irene Tan
(Chief Executive Officer)

Amirul Azhar Bin Baharom

Tan Sin Chong

Onn Kien Hoe

MEMBERS OF AUDIT COMMITTEE
Tan Sin Chong
(Chairman, Independent Non-Executive Director)

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Independent Non-Executive Director)

Amirul Azhar Bin Baharom
(Independent Non-Executive Director)

MEMBERS OF NOMINATION COMMITTEE
Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Chairman, Independent Non-Executive Director)

Tan Sin Chong
(Independent Non-Executive Director)

Amirul Azhar Bin Baharom
(Independent Non-Executive Director)

MEMBERS OF REMUNERATION COMMITTEE
Amirul Azhar Bin Baharom
(Chairman, Independent Non-Executive Director)

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Independent Non-Executive Director)

Tan Sin Chong
(Independent Non-Executive Director)

COMPANY SECRETARY
Tan Bee Leng @ Belinda (MAICSA No. 7009994)

REGISTERED OFFICE
Unit E-3-1, Level 3, Block E,
Southgate Commercial Centre,
No. 2, Jalan Dua,
Off Jalan Chan Sow Lin,
55200 Kuala Lumpur.
Tel: 03-27309969
Fax : 03-27309978

PRINCIPAL AUDITORS
AljeffriDean (AF1366)
Chartered Accountants (Malaysia)

STOCK EXCHANGE LISTING
Main Market, Bursa Malaysia Securities Berhad

SHARE REGISTRARS
Symphony Share Registrars Sdn Bhd (378993-D),
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya, Selangor, Malaysia.
Tel: 03-78490777
Fax: 03-78418151/52

PRINCIPAL BANKERS
RHB Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad
Bangkok Bank Berhad
Hong Leong Bank Berhad

DIRECTORS' PROFILE

TAN SRI DATO' SRI DR. SAMSUDIN BIN HITAM

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam aged 69, a Malaysian is the Chairman and an Independent Non-Executive Director of RPB. He was appointed to the RPB Board on 6 March 2015. He is also the Chairman of RPB's Nomination Committee and member of the Audit and Remuneration Committees. He graduated with BA (Hons) from the University of Malaya and obtained MSc in Agricultural Economics from University of Wisconsin, USA and pursued his PhD in Land Resources from University of Wisconsin, USA.

Tan Sri has served in the Ministry of Finance (1970 - 1982) and the Economic Planning Unit (1986 – 2000). During his tenure in the Economic Planning Unit, he was promoted to Director General of EPU. In 2000 he was appointed as the Secretary General of the Ministry of Finance. He was also the Chairman of the Inland Revenue Board of Malaysia. He retired from the Public Service in 2004.

Tan Sri was also a director of various corporations, among others are Petroliam Nasional Berhad, Khazanah Nasional Berhad, HICOM Holdings Berhad, Malaysia Airlines Berhad and Pos Malaysia & Services Holdings Berhad during his tenure in the Government. Tan Sri is currently the Chief Executive Officer of Maju Expressway Sdn. Bhd and Chairman of Rosgate Insurance Brokers Sdn. Bhd.

SEE AH SING

See Ah Sing aged 57, a Malaysian is a Non-Independent Executive Director. He was appointed to the RPB Board on 28 November 2014. On 15 July 2016, he was redesignated as Managing Director.

He graduated with a Bachelor of Economics (Hons) degree from University of Malaya and holds a Diploma in Public Management, INTAN.

He joined the Malaysian Civil Service in 1984. He has served in various ministries including the Ministry of Housing, Economic Planning Unit and Ministry of Finance. He was the Chief Executive Officer of Pantai Fomema for 3 years. He was also an Executive Director of Protasco Berhad. Prior to his appointment as Executive Director, he worked as a freelance consultant in business development, M&A and strategic planning.

DATIN IRENE TAN

Datin Irene Tan aged 61, a Malaysian is the Chief Executive Officer. Datin Irene was appointed as a Non-Independent Executive Director to the RPB Board on 13 May 1993.

Datin Irene's experience spans a wide ambit of the hotel, property and tourism industries. She was responsible for the development of Malaysia's first homegrown Travel Franchise under the Reliance brand name. Datin Irene also led a team of hotel professionals in developing Malaysia's first homegrown Hotel Management Franchise System for the Seri Malaysia chain of hotels. She spearheaded and developed the Avillion Hotel Sydney, Avillion Hotel Port Dickson, Admiral Cove Development and Admiral Marina & Leisure Club in Port Dickson and Golden Envoy in Johor.

Datin Irene is a council member of the Malaysian Singapore Business Council (MSBC), Co-Chairman, Joint MSBC Tourism & Hospitality Committee (JHTC), an Associate Member of the Harvard Business School Alumni, a life member of the Malaysian Institute of Human Resource Management and a founding member of the Malaysian Youth Orchestra Foundation.

AMIRUL AZHAR BIN BAHAROM

Amirul Azhar Bin Baharom, aged 43, a Malaysian is an Independent, Non-Executive Director. He was appointed to the RPB Board on 16 December 2015. He is the Chairman of RPB's Remuneration Committee and is also a member of RPB's Audit and Nomination Committees.

He graduated with LLB Hons from Staffordshire, UK. He began his career as a Research Analyst with Cazenove & Co., a British based investment bank and had been in the financial services industry for a number of years where he was attached with the Securities Commission, BDO Capital Consultants Sdn. Bhd. and KAF Fund Management Sdn. Bhd. He had also served as the Group Managing Director and CEO of Vastalux Energy Berhad.

He is the independent non-executive chairman of UMS-Neiken Group Berhad and independent non-executive director of Tecnic Group Berhad and Spring Gallery Berhad.

TAN SIN CHONG

Tan Sin Chong aged 58, a Malaysian is an Independent, Non-Executive Director. He was appointed to the RPB Board on 29 April 2011. He is the Chairman of RPB's Audit Committee and is also a member of RPB's Nomination and Remuneration Committees.

He obtained a Bachelor of Arts (Hon) from University of Science, Malaysia in 1982. He has over 20 years of experience in international management and marketing of travel, tourism and hospitality services. He also has vast experience in property development planning, construction and marketing of properties in Malaysia and abroad.

He is an associate member of the Harvard Business School Alumni, Malaysia and a member of the Joint MSBC Tourism & Hospitality Committee (JTHC).

ONN KIEN HOE

Onn Kien Hoe aged 51, a Malaysian is an Independent Non-Executive Director. He was appointed to the RPB Board on 1 June 2016.

He is a fellow member of Association of Chartered Certified Accountants (ACCA) and he has been involved in the auditing profession since 1988.

He joined Crowe Horwath (then known as Mok & Poon) in 1994 and was in charge of the audit of listed companies and multi-national companies. He is now the Co-head of Corporate Advisory department of Crowe Horwath in Kuala Lumpur. He has extensive experience in cross border transactions involving mergers and acquisitions, listing, reverse takeovers, due diligence reviews and valuation assignments. He has been involved in transactions on international stock exchanges including London, Hong Kong, Singapore, Australia and Malaysia.

He currently sits as an independent non-executive director of MAA Group Berhad, MAA Takaful Berhad, MAA International Assurance Ltd and Nova MSC Berhad.

Other Information on Directors

Conflict of Interest
None of the above directors has any conflict of interest with the Company.

Convictions for offences
None of the above directors has been convicted for offences within the past 10 years other than traffic offences, if any.

Family Relationship
None of the above directors has any family relationship.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (Board), it is my pleasure to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2016.

OVERVIEW OF THE INDUSTRIES

The Group continued to operate under difficult and challenging environment for the period under review.

The Hotel Industry experienced a slow down in demand which was further dampened by four months of haze which was beyond our control. This has a direct impact on our Hotel Division's performance.

The Tourism Division in general recorded a drop in both tourist and visitor arrivals, reduced length of stays and tourism receipts. The harsh environment has severely affected the performance of the Tourism Division.

The general property market has been weak and lackluster at the back of weak economic growth, declining disposable incomes and subdued financing policies. In this context, the Group like other property developers also faced declining margins on certain categories of housing especially affordable housing.

FINANCIAL REVIEW

The Group registered a turnover of RM194 million for the Financial Year 2015/2016 as compared to RM188 million for the financial year 2014/2015. Nonetheless, as mentioned above due to the challenging and difficult operating conditions, the Group posted a loss of RM10.6 million before impairment loss on goodwill and taxation. The Board, taking cognizance of the difficult and challenging operating environment of some of its subsidiary companies agreed to impair loss of goodwill amounting to RM12.3 million during the period under review.

The Hotel Division posted a lower revenue of RM40.6 million and a profit of RM2.0 million for the year under review due to the general slowdown resulting from substantial drop in corporate spending which commands high yields and margins. Our strong branding has resulted in the entering of a new hotel management contract which will contribute positively to the Division when it is opened.

The Tourism Division posted a higher revenue of RM126.7 million due to depreciation of Ringgit against foreign currencies in the countries in which we operate. The loss of RM4.8 million is mainly due to a substantial drop in high yielding customers which has severely impacted the industry.

The Property Division also saw a marginal increase in revenue from RM17.5 million in the preceeding Financial Year to RM24.6 million for the current Financial Year. Not unlike other property developers, the Division suffered a loss of RM2 million mainly due to lower margins as the bulk of the revenue was from affordable housing in Desa Impian, Bandar Tenggara.

PROSPECTS FINANCIAL YEAR 2016/2017

The general consensus is that the Malaysian economy will grow by 4% to 4.5% in 2016. As a Group we have undergone a challenging period of external and domestic shocks affecting the economy and the operating environment for all our Divisions. Nonetheless, barring unforeseen circumstances, we expect the Group to improve its performance for Financial Year 2016/2017. Our focus will be on higher yields and margins and prioritizing profits over growth.

The Hotel Division will continue to leverage on its strong branding in hotels, resorts, spa and residences. Going forward, we will continue with our strategy to optimise yields and profitability. At the same time, we are also looking at the rejuvenation of our assets to enhance its marketability and yield.

The Tourism Division is cautiously optimistic on its performance barring any unforeseen circumstances which are beyond our control.

The Property Division will continue to focus on implementing Zone 2 of Desa Impian, Bandar Tenggara. In addition, we shall review the development mix of the remaining development in order to enhance margins. However, we shall remain prudent and moderate when considering new ventures or capital investment and seek to monetize some of our unproductive assets.

APPRECIATION AND ACKNOWLEDGEMENT

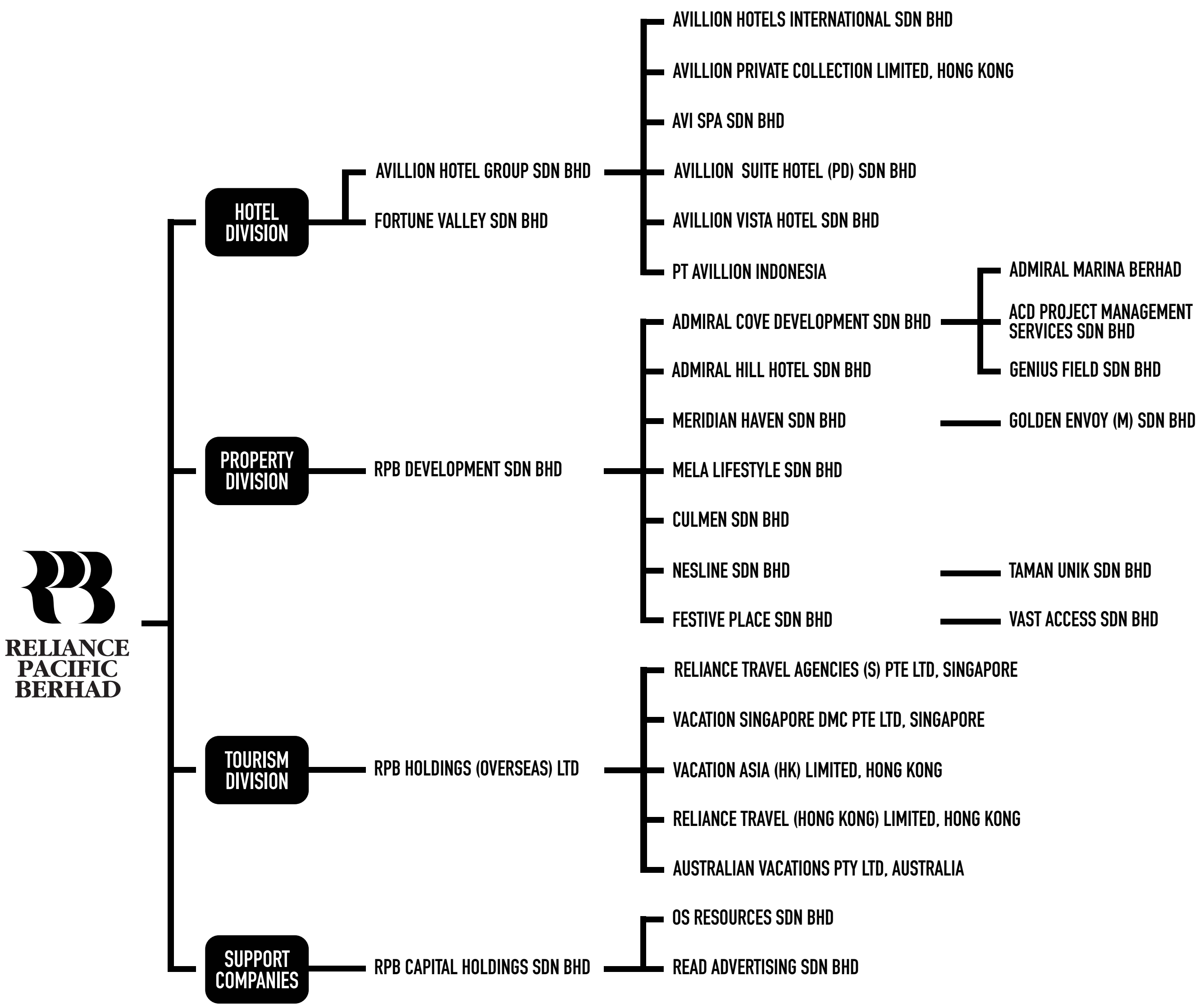
Finally, I would like to extend my sincere appreciation to my fellow Board members, the management and employees of the Group for their untiring efforts, sacrifices and selfless striving under challenging circumstances.

On behalf of the Board, I would like to thank our shareholders, associates and bankers for their continued support. We look forward to a better performance in 2016 and beyond.

Thank you

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
CHAIRMAN

GROUP STRUCTURE AS OF 31 MARCH 2016



CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the Board) is committed towards ensuring that good Corporate Governance is observed throughout the Group.

The Board also considers and adopts where appropriate, the principles and best practices of Corporate Governance as prescribed in the Malaysian Code of Corporate Governance 2012 (MCCG 2012).

The Board is pleased to report to shareholders the manner in which it has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code, pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) and Corporate Governance Guide: Towards Boardroom Excellence, throughout the financial year under review.

THE BOARD

Board Structure

The Board is made up of six members of which four are independent non-executive directors and two non-independent executive directors. The profile of each director is presented on page 4 and page 5 in the Annual Report.

The composition of the Board represents a good mix of knowledge, skills and experience to ensure that the Group is competitive within its industry. The Board, through the Nomination Committee, will consider appropriate targets for appointment as Board members in terms of gender, ethnicity and age and will take required measures to meet those targets from time to time if deemed necessary to enhance the effectiveness of the Board.

The Board complies with paragraph 15.02 of the Listing Requirements which requires that at least two directors or one third of the Board of the Company, whichever is higher are independent directors. The Company also complies with MCCG 2012 where the Chairman of the Company is an independent director.

Duties and Responsibilities

The Board adheres to the Code of Conduct/Ethics for Directors which highlights the criterias that directors should observe in the performance of their duties. The following are the roles and responsibilities of the Board in discharging its fiduciary functions:-

- Leads, controls, provides strategic direction and has the overall responsibilities for corporate governance.
- Formulation of key policies, overseeing investments and businesses for the Group.
- Ensure that the company has appropriate corporate disclosure policies and procedure.
- Succession planning.
- Identifying principal risk and to ensure implementation of appropriate internal control system.
- Investor relations programmes, internal controls and management information systems.

The management is accountable for the execution of the corporate objectives and policies set by the Board.

The Board has delegated specific responsibilities to the committees to assist the Board in the effective operations and the governance of the Group. The functions and the Terms of Reference of the committees have been defined by the Board in the Terms of Reference of the respective committees. These committees are Audit Committee, Nomination Committee and Remuneration Committee. The Terms of Reference of these committees are available in the Company's website.

The duties and responsibilities of the Chairman and Chief Executive Officer ("CEO") are distinct and separate with clear division of responsibilities. The Chairman is responsible for managing the conduct of the Board and ensuring its effectiveness including ensuring all directors receive sufficient relevant information on all financial, business, operational and corporate matters to enable each of them to participate actively and effectively in Board decisions. The CEO is responsible for the efficient and effective management of the business operations and strategic direction of the Group.

Board Charter

The Board Charter is available in the Company's website.

It serves to ensure that all Board members acting on the Group's behalf are aware of their expanding roles and responsibilities. It sets out the duties and responsibilities to be discharged by the Board members collectively and individually. It shall be reviewed and updated from time to time to reflect changes to the amendments of relevant rules and regulations.

Board Meetings
The Board normally has five (5) scheduled meetings annually with additional meetings convened as and when necessary. At such scheduled meetings the Board deliberates and gives approval to quarterly financial reports, audited accounts, recurrent related party transactions and other material agreements prior to announcement to Bursa Malaysia. During meetings the Board is also briefed on business performance and financial aspects of the Group.

During the financial year ended 31 March 2016, nine (9) Board meetings were held. Details of the attendance of the Directors at Board meetings held during the financial year ended 31 March 2016 are detailed below.

Director	**Attendance**
Tan Sri Dato' Sri Dr. Samsudin Bin Hitam	9/9
Datin Irene Tan	9/9
See Ah Sing	9/9
Tan Sin Chong	9/9
Abdul Aziz Bin Abdul Wahab (Resigned on 3/12/2015)	7/8
Amirul Azhar Bin Baharom (Appointed on 16/12/2015)	1/1
Onn Kien Hoe (Appointed on 1/6/2016)	0/0

Supply of information
The Board is provided in advance with a yearly scheduled timetable which includes all board meetings, audit committee meetings and other relevant meetings. This is to ensure timely and adequate information are circulated prior to the meetings.

Each Board member is supplied in advance with an agenda, written reports which include minutes of previous meetings, financial reports and other reports relevant to the meeting, to allow the directors sufficient time to review and to deliberate at the board meetings and to facilitate informed decision making by the directors. Management representatives are also present to provide additional insight on matters to be discussed during the Board meetings.

The Board members are also provided with the relevant facts, analysis and recommendations on any new corporate proposals. Advisers and professionals such as merchant bankers and solicitors may be invited to attend the Board meetings at which such proposals are deliberated to provide the Board with their explanations and advice and to clarify any issues raised.

All directors have access to the Group's information through the management team and the services of the qualified Company Secretary, who provide the Board with any updates to the statutory and regulatory requirements and any other matters related to the affairs of the Group.

The Board may take independent professional advice in furtherance of their duties, whenever necessary and under appropriate circumstances.

Board's Appointment
The appointment of any additional directors is made as and when it is deemed necessary by the Board of Directors with due consideration given to a good mix of knowledge, skills, experience and time commitment required for the Board to discharge its duties effectively.

Any proposal to appoint new directors will be evaluated by the Nomination Committee members for recommendation to the Board.

A director appointed during the financial year shall retire and be eligible for re-election at the Annual General Meeting (AGM) of the Company. Apart thereto, at least one-third of the Board or if the number of directors is not three (3) or a multiple of three (3) then the number nearest to one-third shall retire by rotation under Article 91 of the Company's Articles of Association and shall be eligible for re-election at each AGM. All Directors shall be subject to retirement once in every three years.

For the forthcoming AGM, Mr Tan Sin Chong retires under Article 91 while Encik Amirul Azhar Bin Baharom and Mr Onn Kien Hoe retires under Article 98 of the Company's Articles of Association.

In accordance with Section 129(6) of the Companies' Act 1965, a Director who has attained the age of seventy (70) years shall retire and is eligible to submit himself or herself for re-appointment at each AGM to hold office until the conclusion of the next AGM of the Company. There are no directors retiring under Section 129(6) of the Companies' Act 1965 during the financial year under review.

Directors' Training
All the Board members have attended and successfully completed the Directors' Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia for Directors of public listed companies. The Board acknowledges the fact that continuous education is vital for the Board members to keep abreast with the developments of the economy and further enhance their knowledge to discharge their duties and responsibilities more effectively.

During the financial year the directors attended the following training programmes:

(i) Board Chairman Series: "Tone from the Chair and Establishing Boundaries".
(ii) CG Breakfast Series with Directors – "Board Reward & Recognition".
(iii) Bridging the Great Divide: How Social Mobility Can Be A Reality.
(iv) The Construction and Rectification of Contracts.
(v) In the Spotlight by Bursa Malaysia.
(vi) ASEAN Business & Investment Summit 2015.

Our Directors will continue to attend further training from time to time, particularly on relevant new laws and regulations.

Remuneration
The remuneration packages of executive and non-executive directors are recommended by the Remuneration Committee and approved by the Board. The directors' annual fees are reviewed by the Remuneration Committee and recommended to the Board for shareholders' approval at the Annual General Meeting. The aggregate remuneration of directors who served during the financial year ended 31st March 2016 are categorized into the following components.

Category	**Fees (RM)**	**Salaries & other Emoluments (RM)**	**Benefits In Kind (RM)**
Executive Directors	-	1,830,356	31,900
Non-Executive Directors	229,134	-	-

The number of Directors whose total remuneration during the financial year falls within the respective bands are as follows:-

		Number
Executive Directors	RM450,000 to RM500,000	1
	RM1,350,000 to RM1,400,000	1
Non-Executive Directors	RM0 to RM50,000	3
	RM50,000 to RM100,000	1
	RM100,000 to RM150,000	1

COMMITTEES ESTABLISHED BY THE BOARD
Audit Committee
The Audit Committee currently comprises of three Independent Non-Executive Directors. The terms of reference of the Audit Committee are set out in the Audit Committee Report.

Nomination Committee
The Nomination Committee currently comprises of three Independent Non-Executive Directors.

Chairman: Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Independent Non-Executive Director)

Members: Tan Sin Chong
(Independent Non-Executive Director)

Amirul Azhar Bin Baharom
(Independent Non-Executive Director)

The Terms of Reference of the Nomination Committee are as follows and they are also available on the Company's website:-

(i) Responsibility to oversee the selection and assessment of directors of RPB and its subsidiaries.
(ii) Ensure that the Board composition meets the needs of the Company and its subsidiaries.
(iii) Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors and senior executives of RPB and its subsidiaries.
(iv) Responsibilities include assessing and recommending to the board the candidature of directors, appointment of directors to board committees, review of board succession plans and training programmes for the Board of RPB and its subsidiaries.
(v) In assessing the suitability of candidates, considerations should be given to the competencies, commitment, contribution and performance.
(vi) Facilitate board induction and training programmes.
(vii) Take steps to ensure that women candidates are sought as part of its recruitment exercise.
(viii) Conduct an assessment on independent directors annually.
(ix) Review and approve the succession plan for senior executives of RPB and its subsidiaries.
(x) Review the term of office and performance of the audit committee and each of its members annually or when appropriate.

The activities of the Nomination Committee during the financial year are:-

(i) Review on the terms of reference.
(ii) Assessment and recommendation of candidates for appointment as directors.
(iii) Annual assessment of independent directors.
(iv) Nomination of directors for appointment in the board of RPB subsidiaries.
(v) Hotel division cost rationalization and succession planning.

Remuneration Committee
The Remuneration Committee currently comprises of three Independent Non-Executive Directors.

Chairman: Amirul Azhar Bin Baharom
(Independent Non-Executive Director)

Members: Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Independent Non-Executive Director)

Tan Sin Chong
(Independent Non-Executive Director)

The Terms of Reference of the Remuneration Committee are as follows:-

(i) Assist the Board of Directors ("the Board") in establishing formal and transparent remuneration policies and procedures for directors and senior executives of RPB and its subsidiaries including the executive directors and Chief Executive Officer ("CEO") of the Company.
(ii) Recommend to the Board remuneration package for directors and senior executives of RPB and its subsidiaries.
(iii) Review the performance evaluations of senior executives of RPB and its subsidiaries and approve their bonus and salary increment proposals.
(iv) Approve the overall bonus and salary increment proposals for RPB and its subsidiaries.
(v) Review and approve the succession plan for senior executives of RPB and its subsidiaries.
(vi) Recommend to the Board the establishment of long term incentive plan(s) for eligible employees and eligible executives of RPB and its subsidiaries.
(vii) Administer the Executive's Share Option Scheme, Share Grant Plan and any other incentive plans to be established by the Company from time to time.

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

The Board values regular communication with shareholders and investors. This includes various medium of communication such as annual general meetings, announcements on quarterly financial results and material agreements made throughout the year, audited financial results and annual reports. The information provide shareholders and investing public with an overview of the Group's performance and business operations.

All resolutions will go by poll voting in AGM/EGM.

The Group has established a comprehensive and current website at http://www.rpb.com.my to further enhance investor relations and communication with shareholders, investors and general public to access information such as group's profile, services, financial performance and corporate information.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors aim to present a balanced and understandable assessment of the Group's position and prospects when presenting the financial statements, quarterly announcements and submission of reports to regulators.

The annual and quarterly financial reports are prepared in accordance with the provision of the Companies' Act, 1965 and approved accounting standards.

The annual and quarterly financial reports are reviewed by the Audit Committee to ensure that the financial statements comply with applicable financial reporting standards prior to the Board's approval.

Directors' Responsibility Statement

The Directors are required under the provisions of the Companies' Act, 1965 to prepare financial statement for each financial year, which gives a true and fair view of the Company. Following discussions with the auditors, the Directors consider that the Company uses appropriate accounting policies.

The Directors also ensure that the Company keeps the accounting records and are disclosed with reasonable accuracy which enable them to ensure that the financial statements comply with the Companies' Act, 1965 and the relevant accounting standards. The Directors also took the necessary steps to safeguard the assets of the Company.

The Board has given their approval for the Corporate Governance Statement and are satisfied that as far as possible the Group has complied with the best practices of the Code.

Statement on Risk Management and Internal Control

The Group's system of Internal Control Statement is outlined in the Statement on Risk Management and Internal Control in this Annual Report.

Relationship with External Auditors

The role of the Audit Committee in relation to the external auditors is set out on page 15 of the Annual Report. The Company has always maintained a cordial and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the relevant accounting standards. The External Auditors are independent.

Related Party Transactions

All related party transactions for the financial year ended 31 March 2016 are set out in Note 31 of the Annual Report. This note also sets out the recurrent related party transactions conducted during the period in accordance with the general mandate obtained from shareholders at the Annual General Meeting held on 23 September 2015.

AUDIT COMMITTEE REPORT

1.0 **Composition**

Chairman : Tan Sin Chong
Independent Non-Executive Director

Members : Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
Independent Non-Executive Director

Amirul Azhar Bin Baharom
Independent Non-Executive Director

2.0 **Terms of Reference**

2.1 Authority

The Audit Committee is authorised by the Board to :-

2.1.1 ensure the internal audit function is appropriately and adequately resourced in discharging its duties and responsibilities.

2.1.2 have full, unrestricted and timely access to relevant information and documents pertaining to the Group with the support of the Management and staff.

2.1.3 maintain direct communication channels with the external and internal auditors.

2.1.4 convene meetings with the external and/or internal auditors, excluding the attendance of the executive members of the Committee, when required.

2.1.5 obtain independent or external legal or professional advice and secure attendance, if it considers necessary.

2.1.6 have explicit authority to investigate any matters arising within its Terms of Reference.

2.2 Frequency of Meetings

The Audit Committee shall meet not less than four times a year, with additional meetings convened as and when required, with the presence of the Committee members. The presence of the external auditors will be requested, if required.

2.3 Duties and Responsibilities

The duties and responsibilities of the Audit Committee are to :-

2.3.1 Review with the Management and external auditors, the annual report, financial statements of the Company and consolidated financial statements of the Group prior to approval by the Board.

2.3.2 Review adequacy of the functions, resources and scope of the internal audit to ensure it has the appropriate authority and the support of the Management and staff to function independently and effectively.

2.3.3 Assess adequacy of the operational, financial and internal controls with the external and internal auditors.

2.3.4 Review the annual Internal Audit Plan with the external and internal auditors.

2.3.5 Review the audit programme and audit reports to ensure appropriate and prompt remedial actions have been taken to address the audit recommendations.

2.3.6 Review any related party transactions that may arise within the Company or the Group.

2.3.7 Review and recommend the appointment of the external auditors and any questions of resignation or dismissal.

2.3.8 Assess suitability, independence and objectivity of the external auditors.

2.3.9 Act on other matters as the Committee considers appropriate or as authorised by the Board of Directors.

3.0 **Summary of Activities of the Audit Committee**

The Audit Committee held five (5) meetings during the financial year ended 31 March 2016. The attendance of each member of the Committee is as follows :-

Director	Attendance
Tan Sin Chong	5/5
Tan Sri Dato' Sri Dr. Samsudin Bin Hitam	5/5
Abdul Aziz Bin Abdul Wahab (resigned on 3 December 2015)	4/4
Amirul Azhar Bin Baharom (appointed on 16 December 2015)	1/1

During the financial year ended 31 March 2016, the main activities undertaken by the Audit Committee is summarized as follows:-

- Reviewed the quarterly and year end financial statements for the Board's approval before announcement to Bursa Securities Berhad.
- Reviewed the annual Internal Audit Plan and audit reports of the internal and external auditors with the Management's action plans in addressing the audit recommendations.
- Assessed the adequacy and effectiveness of the Group's risk management and internal control system.
- Reviewed the recurrent related party transactions entered into by the Group and any conflict of interest situations that may arise.

4.0 **Summary of activities of Internal Audit Function**

The Group's Internal Audit Department ("the Department") reports to the Audit Committee on its activities based on the approved annual Internal Audit Plan. It evaluates the adequacy and effectiveness of the Group's risk management and internal control system in identifying, evaluating, managing and monitoring key potential risks. The cost of internal audit for the financial year under review was approximately RM370,000.

The Department independently reports significant internal control matters, potential risk implications and non compliances with the Group's Policies and Procedures, audit recommendations and the Management's remedial actions at the Audit Committee meetings. The Group's strategic directions, corporate and business objectives in the context of its diverse business environment are considered before audit recommendations are proposed. The Department also updates the Audit Committee after following up on the implementation status of the Management's proposed remedial actions to ensure the internal control matters reported have been satisfactorily and promptly rectified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1.0 **Introduction**

In compliance with Paragraph 15.26 (b) of Bursa Malaysia Main Market Listing Requirements and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors ('Board') is pleased to present the Statement on Risk Management and Internal Control of Reliance Pacific Berhad and its subsidiaries ('the Group') for the financial period under review.

Pursuant to Principle 6 of the Malaysian Code on Corporate Governance 2012 and Bursa Malaysia Listing Requirements, the primary objective of establishing a sound risk management framework and internal control system is to safeguard shareholders' investment and the Group's assets.

2.0 **Board's Roles and Responsibilities**

The Board acknowledges its overall responsibility in ensuring that the Group's risk management and internal control system is in place through concerted and regular reviews and monitoring of the system. These measures taken are designed to manage the Group's potential risks within an acceptable risk profile. Therefore they can only mitigate rather than eliminate risks which may impede the achievement of business objectives at both the Group and business unit levels. The systems in place provide only reasonable but not absolute assurance against material financial misstatements of losses.

The scope of responsibility and statement on risk management and internal control of the Group's associate companies are excluded as the Board does not have any direct control over their operations.

3.0 **Risk Management**

The Board recognises risk management as an integral element of business and operations. Objective of the Group's ongoing risk assessment process is to ensure key risk areas are managed within an acceptable risk profile or tolerance level in order to increase the prospects on achievement of corporate and business strategic objectives. The Group's overall risk appetite is based on evaluation of the Group's existing risk management capabilities and capacity.

3.1 Risk Identification, Monitoring & Reporting.

Within the organisation, risk management is embraced as a collective responsibility and firmly embedded in the Group's core business processes holistically by engaging all business divisions as risk owners within their areas of responsibilities and accountability. The organisation structure sets out respective roles and responsibilities, levels of authority and lines of accountability to ensure effective and independent stewardship. Risk management encompasses two broad lines of defence. The Heads of respective business divisions jointly with all employees form the first line of defence against risks. They are responsible and accountable for identifying, assessing and reporting significant potential risks within their scope of responsibilities.

On a strategic perspective, the Heads of Department in consultation with the Executive Director, Chief Executive Officer and Chief Financial Officer are responsible for managing, monitoring and mitigating emerging risks promptly. As risks cannot be eliminated, monitoring and reporting activities are performed periodically to ensure instituted controls are appropriate, adequate and effectively applied within the Group to reduce risk exposure.

The Board along with External and Internal Audit functions, being the second line of defence, provides an independent and objective assessment on the adequacy and effectiveness of risk management and internal controls towards continuous improvements & pragmatic enhancements from time to time.

3.2 Risk Evaluation

The Management identifies and evaluates key potential risks at operational and financial levels together with their existing internal control mechanisms before implementing and monitoring relevant controls to mitigate and control these risks. Identified risks are evaluated at each business division based on level of materiality, likelihood of occurrence and impact before further assessed on a Group perspective. The objective is to enhance the Group's ability to achieve its strategies, business objectives with operational efficiency.

4.0 **Internal Control System**

The key aspects of the Group's internal control system are as follows :-

4.1 Control Environment

4.1.1 The Group has a clearly defined vision and mission statement and strategic business direction which is communicated 'top down' to all employees in order to reinforce core values of integrity, commitment, speed and cost efficiency.

4.1.2 Board committees including Audit Committee, Nomination & Remuneration Committees are established by the Board of Directors. They are governed by defined terms of reference and authority for areas within their scope of responsibilities.

4.1.3 The Group's organisation structure is aligned with its business and operational requirements with defined lines of authority, responsibility and accountability.

4.2 Control Activities

4.2.1 The Group's operating system including processes governing appraisal, approval of capital / investment expenditure, asset disposal, monitoring and evaluation of the performance of investments are periodically reviewed, updated and improved in order to respond more effectively to emerging or changing risks, changes in organisation structure and requirements of business and operating divisions.

4.2.2 Business and operating divisions prepare annual business plans, financial and operating budgets which are approved by the Board. Actual performances are reviewed against approved budgets to ensure that for significant variances against budget noted, corrective actions, if required, are taken promptly to mitigate potential significant risks.

4.2.3 The Group recognises its human capital in contributing towards its growth. Guidelines on staff recruitment, performance appraisal, promotion and training requirements are incorporated in an established performance appraisal and management system to inculcate and sustain a high performance culture.

4.3 Information and Communication Processes

4.3.1 The Management and Board receive timely and relevant management and financial reports which are reviewed periodically for improvements from time to time.

4.3.2 The Group has in place, a Management Information System which captures and reports relevant information and data to enable the Management to make business decisions promptly.

4.3.3 Management, EXCO & Board meetings are held periodically to provide appropriate communication and feedback channels in a timely, transparent and confidential manner.

4.4 Monitoring Mechanism

4.4.1 The Board is responsible for establishing business direction, strategies and overseeing the overall conduct of the Group's businesses and operations through its management committees and reporting mechanisms. The Executive Director and Chief Executive Officer communicates the Board's expectations to the Management teams during management meetings. Based on these mechanisms, the Board is promptly updated on developments relating to risk management, internal controls, regulatory compliance and financial commitment. EXCO meetings are held monthly with a formal agenda on matters for discussion. Board meetings are held at least once every quarterly. In addition, regular management and operation meetings are conducted by the directors and senior management.

4.4.2 The Group's Internal Audit function reports directly to the Audit Committee and is guided by the approved terms of reference. The Internal Audit function provides the Board with independent and balanced assurance on the adequacy and effectiveness of the risk management and internal control systems by conducting regular audits and assessments based on the Annual Audit Plan approved by the Audit Committee. Significant audit matters and recommendations for improvements are highlighted to the Management and Audit Committee with periodic follow up reviews of implementation and remedial actions taken.

4.4.3 The Group's policies and procedures are reviewed and revised periodically to meet changing business, operational and regulatory requirements.

5.0 **Review for the Financial Year**

The Board of Directors acknowledges that the Group operates in an intensely challenging and dynamic business environment in which the risk management and internal control system must be responsive towards attaining sustainable and profitable business growth in the long term. Nevertheless the Board is committed towards improving the risk management and internal control system to support the Group's diverse business operations.

For the financial year under review, evaluations on the adequacy and effectiveness of the risk management and internal control systems had been undertaken. Arising from the reviews undertaken for the financial year, internal controls requiring improvements had been identified for prompt implementation or remedial actions.

In view of the inherent limitations in any internal control system, the systems can only provide reasonable but not absolute assurance against misstatement of financial information, losses or fraud. These systems can only mitigate, rather than eliminate the risk of failure to achieve corporate and business objectives.

6.0 **Review of The Statement by External Auditors**

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors had reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 March 2016. Their review was performed in accordance with Recommended Practice Guide ('RPG') 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their review, the external auditors have reported to the Board that nothing had came to their attention that caused them to believe that the Statement on Risk Management and Internal Control was inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

7.0 **Conclusion**

Based on reasonable assurances provided by the Executive Director, Chief Executive Officer and Chief Financial Officer, the Board is of the opinion that the Group's overall risk management and internal control systems are operating satisfactorily in all material aspects appropriate for the Group's business directions and objectives. No adverse internal control matters which had materially impacted the Group's business or operations were noted. All potential significant risks will be reviewed, improved and monitored on an ongoing basis to enhance the adequacy and effectiveness of the Group's risk management and internal control systems.

CORPORATE SOCIAL RESPONSIBILITY

RPB will continue to observe and carry out its corporate social responsibility (CSR) to promote humanitarian works to the deserving and underprivileged and to alleviate the social well being of the community as well as to ensure the sustainability of the environment both locally and abroad. Our daily business is conducted through integration of business practices based on ethical values and respect for the environment, the work place, the community and the market place.

The Environment

RPB Group manages its operations by placing special emphasis on conservation, sustainability, environment protection and preserving for tomorrow.

The preservation of the environment is a very challenging task due to many variables and unexpected events. Avillion Hotel Group ("AHG") had participated in projects to consistently sustain the current status of the beaches, the sea and corals at areas where their resorts are located.

To prevent pollution in the marina basin, strict rules and regulations are imposed on all boaters berthed at the marina basin. The pumping of oil, diesel, fuel waste and waste tanks are strictly prohibited within the marina basin. Works such as deck sanding, spray painting and other polluting works are only allowed at the repair yard pontoon.

AHG has implemented green practices such as using paraben-free and biodegradable toiletries made from 100% natural ingredients derived from plant extracts and this will help to reduce water pollutants in the sewerage system. Energy saving light bulbs and automatic energy supply cut-off system are being installed in the hotel rooms to reduce energy consumption and wastage of resources. To conserve water, half flush water closet system are being installed into our hotel rooms. Conscious efforts have been made to reduce the usage of plastic and switching to paper wherever possible.

All employees of the RPB Group are encouraged to reduce paper usage and recycle used paper where possible. Spring cleaning events were organised by the Group at which unwanted papers, brochures, packing materials, empty printer cartridges and other recyclable items are sent for recycling.

The Work Place

RPB Group values its human capital and has placed high emphasis on the development of human capital resources. Over the past years, the employees of the Group has expanded to comprise a global team of dedicated professional managers and staff who have blended modern technology with traditional values of hard work, perseverance and integrity.

As part of the human capital development, the Group also conducts various in-house training programmes focusing on quality leadership, building effective performance and job skills related training to equip employees with improved skills and knowledge.

To strike a balance between work life and personal strives, the employees are encouraged to participate in social, sports and welfare activities organized by the Social Club. Communication and camaraderie among staff is fostered through social gatherings such as annual dinners, festive parties and quarterly birthday celebrations.

The Group acknowledges and commits to create a safe and conducive working environment for all its employees. Employees must work together in effecting health and safety in the work place.

The Community

RPB has always been supportive of employees' involvement in community issues.

Avillion Hotels Group (AHG) has a long history of supporting a number of CSR activities through its community programmes. Avillion Port Dickson and Avillion Admiral Cove co-hosted a charity event called "It's a Jolly, Warm Christmas" Beach Picnic 2015 to celebrate this festive season with 50 children from two orphanages namely Rhema Home, Seremban and Vivekananda Home, Rembau. A charity visit to Vivekananda Home Rembau was organized by Avillion Admiral Cove whereby the hotel staff donated hampers, goody bags of basic necessities to the home. Avillion Legacy Melaka also organized a "Majlis Berbuka Puasa Bersama Anak Yatim" for 68 orphans from 2 orphanages in Malacca namely Pertubuhan Kebajikan Darul Aitam and Pertubuhan Kebajikan Anak Yatim Islam Daerah Jasin Melaka.

The annual blood donation drive called "A Life in Dire Need, A Drop of Blood Indeed" was organised in collaboration with the Melaka General Hospital to replenish the shortage of blood faced by the State's blood bank.

AHG is committed to focusing on the next generation and one of the key programme is the Internship Programme. The Internship Programme provides a unique opportunity to gain valuable professional experience and build leadership skills. This hands-on programme is designed to mentor and cultivate hospitality industry students, strengthening their understanding of the industry, gaining real experience of the work place as well as preparing them for future opportunities. Approximately 30 to 60 interns from recognized tourism & hospitality education institutions are recruited and trained yearly.

The Market Place

The Group has established a comprehensive and current website at http://www.rpb.com.my to further enhance investor relations and communication with shareholders, investors and general public to access information such as group's profile, products, financial performance and corporate information.

FINANCIAL STATEMENT
2015 - 2016

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Note 10 to the financial statements. There have been no significant changes in the nature of the activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Net loss for the year attributable to:		
Equity holders of the parent	(24,100)	(9,642)
Non-controlling interests	(157)	-
	(24,257)	(9,642)

In the opinion of the directors, except for the impairment losses of goodwill amounting to RM12.321 million, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material or unusual nature.

DIVIDENDS

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

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions other than those disclosed in the financial statements.

DIRECTORS

The directors who held office since the date of the last report are:

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam	
Datin Irene Tan	
See Ah Sing	
Tan Sin Chong	
Amirul Azhar Bin Baharom	(Appointed w.e.f 16.12.2015)
Onn Kien Hoe	(Appointed w.e.f 01.06.2016)
Abdul Aziz Bin Abdul Wahab	(Resigned w.e.f 03.12.2015)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits and related party transactions disclosed in Note 24 and Note 31 respectively to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year are as follows:

	Number of Ordinary Shares of RM0.20 each			
	At 01.04.2015	**Bought**	**Sold**	**At 31.03.2016**
Direct Interests:				
Tan Sin Chong	29,000	-	-	29,000
Indirect Interests:				
Datin Irene Tan	391,555,733	43,080,800	(37,928,000)	396,708,533
Tan Sin Chong	3,296,100	-	-	3,296,100

By virtue of her substantial interest in the Company, Datin Irene Tan is deemed to have an interest in shares in the subsidiary companies to the extent that the Company has an interest.

Other than as disclosed above, none of the other directors held any interest in shares in the Company or in related companies.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there are no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets and liabilities of the Group and the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

As of the date of this report, there does not exist:

(a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or the Company which has arisen since the end of the financial year other than those disclosed in Note 30 to the financial statements.

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, in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material or 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 and the Company for the financial year.

AUDITORS

The retiring auditors, Messrs. AljeffriDean, have indicated their willingness to be re-appointed in accordance with Section 172(2) of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors,

....

Datin Irene Tan
Director

....

See Ah Sing
Director

Kuala Lumpur,
Date: 15 July 2016

STATEMENT BY DIRECTORS

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

The directors of **Reliance Pacific Berhad** state that, in their opinion, the financial statements set out in pages 30 to 103 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2016 and of the results of their businesses and the cash flows of the Group and the Company for the financial year ended on that date.

In the opinion of the directors, the information set out in Note 39 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors,

Datin Irene Tan
Director

See Ah Sing
Director

Kuala Lumpur,
Date: 15 July 2016

STATUTORY DECLARATION

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

I, **Chong Set Fui**, the officer primarily responsible for the financial management of **Reliance Pacific Berhad**, do solemnly and sincerely declare that the financial statements set out in page 30 to 103 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 **Chong Set Fui**)
at Wilayah Persekutuan Kuala Lumpur)
on 15 July 2016)

Chong Set Fui

Before me,

Commissioner for Oaths

PESURUHJAYA SUMPAH
AGONG SIA
W460
MALAYSIA

2-5-4, Menara KLH
(Business Centre)
No: 2, Jalan Kasipillay
Batu 2 1/2, Off Jalan Ipoh
51200 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RELIANCE PACIFIC BERHAD

(Company No.: 244521 A)

- Incorporated in Malaysia -

Report on the Financial Statements

We have audited the financial statements of **Reliance Pacific Berhad**, which comprise statements of financial position as at 31 March 2016 of the Group and the Company, statements of profit or loss and statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 103.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as of 31 March 2016 and of their financial performance and 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, 1965 in Malaysia.

Independent Auditors' Report ... cont'd.

Report on Other Legal and Regulatory Requirements
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.

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

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities
The supplementary information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

AljeffriDean
AF 1366
Chartered Accountants

Zuhairi Dziaruddin
No. 03145/06/2018 (J)
Chartered Accountant

Kuala Lumpur,
15 July 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

		GROUP		COMPANY	
	NOTE	2016 RM'000	2015 RM'000 *As Restated*	2016 RM'000	2015 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	5	245,094	247,288	859	523
Land held for development	6	67,789	65,292	-	-
Investment properties	7	3,779	3,818	-	-
Goodwill arising on consolidation	8	19,714	32,035	-	-
Investment in associates	9	21	47	-	-
Subsidiary companies	10	-	-	37,216	37,216
Other investments	11	396	439	-	-
Deferred and development expenditure	12	11	11	-	-
Deferred tax assets	13	172	162	-	-
		336,976	349,092	38,075	37,739
CURRENT ASSETS					
Development properties	6	40,207	46,347	-	-
Inventories	14	19,474	16,018	-	-
Trade and other receivables	15	58,270	67,162	26,018	25,472
Amount due from subsidiary companies	16	-	-	273,502	259,906
Fixed and call deposits		16,547	15,943	8,230	8,230
Cash and bank balances		4,508	5,266	2,437	269
		139,006	150,736	310,187	293,877
Asset held for sale	36	23,910	23,910	-	-
		162,916	174,646	310,187	293,877
TOTAL ASSETS		499,892	523,738	348,262	331,616
NON-CURRENT LIABILITIES					
Term loans	17	76,404	48,824	75,486	33,154
Hire purchase payables	18	360	299	242	-
Deferred tax liabilities	13	4,195	4,194	16	16
		80,959	53,317	75,744	33,170

See accompanying notes to the financial statements.

Statements of Financial Position ... cont'd.

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000 *As Restated*	COMPANY 2016 RM'000	COMPANY 2015 RM'000
CURRENT LIABILITIES					
Trade and other payables	19	27,632	23,060	752	244
Amount due to subsidiary companies	16	-	-	55,912	49,276
Short term borrowings	20	65,937	93,567	29,257	52,652
Hire purchase payables	18	144	120	57	2
Provision for taxation		3	176	-	90
		93,716	116,923	85,978	102,264
TOTAL LIABILITIES		174,675	170,240	161,722	135,434
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
Share capital	21	171,710	171,710	171,710	171,710
Reserves	22	147,316	175,440	14,830	24,472
Equity attributable to equity holders of the parent		319,026	347,150	186,540	196,182
Non-controlling interests		6,191	6,348	-	-
TOTAL EQUITY		325,217	353,498	186,540	196,182
TOTAL LIABILITIES AND EQUITY		499,892	523,738	348,262	331,616

See accompanying notes to the financial statements.

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

		GROUP		COMPANY	
		2016	2015	2016	2015
	NOTE	RM'000	RM'000	RM'000	RM'000
Revenue	23	194,199	188,741	4,778	5,043
Cost of sales	23	(144,631)	(130,422)	-	-
Gross profit		49,568	58,319	4,778	5,043
Other operating income		834	1,654	26	-
Administrative expenses		(63,720) *	(48,087)	(8,211)	(4,299)
(Loss)/Profit from operations	24	(13,318)	11,886	(3,407)	744
Finance costs	25	(9,615)	(10,110)	(6,325)	(6,323)
Share of results of associates		(26)	10	-	-
(Loss)/Profit before taxation		(22,959)	1,786	(9,732)	(5,579)
Taxation	26	(1,298)	(973)	90	90
Net (loss)/profit for the year		(24,257)	813	(9,642)	(5,489)
Net (loss)/profit for the year attributable to:					
Equity holders of the parent		(24,100)	601	(9,642)	(5,489)
Non-controlling interests		(157)	212	-	-
		(24,257)	813	(9,642)	(5,489)
Basic (losses)/earnings per share (sen)	27	(2.81)	0.07		

*Included in the Group's administrative expenses are impairment losses of goodwill amounting to RM12.321 million (2015: RMNil)

See accompanying notes to the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net (loss)/profit for the year	(24,257)	813	(9,642)	(5,489)
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(4,043)	1,073	-	-
Gain/(Loss) on fair value changes of available-for-sale	19	(764)	-	-
	(4,024)	309	-	-
Total comprehensive (loss)/income for the year	(28,281)	1,122	(9,642)	(5,489)
Total comprehensive (loss)/income for the year attributable to:				
Equity holders of the parent	(28,124)	910	(9,642)	(5,489)
Non-controlling interests	(157)	212	-	-
	(28,281)	1,122	(9,642)	(5,489)

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

GROUP

		Equity Attributable to Equity Holders of the Parent									
			Non-Distributable					Distributable			
	NOTE	Share Capital RM'000	Share Premium Reserve RM'000	Share Buy-Back Reserve RM'000	Available-For-Sale Reserve RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance as at 01.04.2014		171,710	19,911	8,930	(3,932)	2,099	73,111	78,067	349,896	6,136	356,032
- As previously reported											
Prior year adjustment	37	-	-	-	-	-	(3,656)	-	(3,656)	-	(3,656)
Balance as at 01.04.2014											
- As restated		171,710	19,911	8,930	(3,932)	2,099	69,455	78,067	346,240	6,136	352,376
Total comprehensive income for the year		-	-	-	(764)	1,073	-	601	910	212	1,122
Balance as at 31.03.2015		171,710	19,911	8,930	(4,696)	3,172	69,455	78,668	347,150	6,348	353,498
Total comprehensive loss for the year		-	-	-	19	(4,043)	-	(24,100)	(28,124)	(157)	(28,281)
Balance as at 31.03.2016		171,710	19,911	8,930	(4,677)	(871)	69,455	54,568	319,026	6,191	325,217

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

COMPANY	← Non-Distributable →			**Distributable**	
	Share Capital RM'000	**Share Premium Reserve RM'000**	**Share Buy-Back Reserve RM'000**	**Accumulated Losses RM'000**	**Total RM'000**
Balance as at 01.04.2014	171,710	19,911	8,930	1,120	201,671
Total comprehensive loss for the year	-	-	-	(5,489)	(5,489)
Balance as at 31.03.2015	171,710	19,911	8,930	(4,369)	196,182
Total comprehensive loss for the year	-	-	-	(9,642)	(9,642)
Balance as at 31.03.2016	171,710	19,911	8,930	(14,011)	186,540

See accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(22,959)	1,786	(9,732)	(5,579)
Adjustments for:					
Bad debt written off		-	-	15	-
Depreciation of property, plant and equipment		3,384	3,647	146	64
Depreciation of investment properties		39	40	-	-
Gain on disposal of property, plant and equipment		(27)	(25)	(26)	-
Property, plant and equipment written off		-	21	-	7
Share of result of associates		26	(10)	-	-
Deferred expenditure written off		-	15	-	-
Interest expenses		9,615	10,110	6,325	6,323
Impairment losses of goodwill		12,321	-	-	-
Net allowance for doubtful debts		(238)	204	-	-
Loss/(Gain) on disposal of land held for development		101	(6)	-	-
Gain on disposal of investment in associate		-	(1,046)	-	-
Gain on disposal of other investments		(3)	-	-	-
Interest income		(482)	(658)	(4,448)	(3,783)
Operating profit/(loss) before working capital changes		1,777	14,078	(7,720)	(2,968)
Increase in inventories		(3,456)	(3,773)	-	-
Decrease/(Increase) in receivables		9,415	21,406	(14,209)	5,428
Increase in payables		804	5,791	7,144	16,647
Decrease/(Increase) in development properties		6,140	(4,986)	-	-
Cash generated from/(used in) operations		14,680	32,516	(14,785)	19,107
Tax paid		(2,036)	(1,120)	(40)	(42)
Tax refund		164	60	91	-
Interest paid		(9,615)	(10,110)	(6,325)	(6,323)
Net cash generated from/(used in) operating activities		3,193	21,346	(21,059)	12,742

See accompanying notes to the financial statements.

Statements of Cash Flows ... cont'd.

	NOTE	GROUP 2016 RM'000	GROUP 2015 RM'000	COMPANY 2016 RM'000	COMPANY 2015 RM'000
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		158	133	27	-
Proceed from disposal of other investments		68	-	-	-
Proceed from disposal of investment in associate, net		-	13,955	-	-
Purchase of property, plant and equipment	28	(983)	(20,795)	(126)	(512)
Purchase of other investments		(3)	-	-	-
Increase in land held for development		(2,497)	(2,789)	-	-
Proceeds from disposal of land held for development, net		-	11,811	-	-
Interest received		482	658	4,448	3,783
Net cash (used in)/generated from investing activities		(2,775)	2,973	4,349	3,271
CASH FLOW FROM FINANCING ACTIVITIES					
Drawdown of borrowings, net		84,453	14,183	81,486	5,000
Repayment of borrowings		(71,950)	(31,603)	(48,744)	(15,589)
Repayment of hire purchase payables		(271)	(196)	(59)	(20)
Net cash generated from/(used in) financing activities		12,232	(17,616)	32,683	(10,609)
Net increase in cash and cash equivalents		12,650	6,703	15,973	5,404
Cash and cash equivalents at beginning of the year		(31,600)	(37,507)	(18,563)	(23,967)
Effects of exchange rate changes on cash and cash equivalents		(251)	(796)	-	-
Cash and cash equivalents at end of the year	29	(19,201)	(31,600)	(2,590)	(18,563)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1. GENERAL INFORMATION

The Company is a public limited company, domiciled and incorporated in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office is located at Unit E-3-1, Level 3, Block E, Southgate Commercial Centre, No. 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur.

The principal place of business is located at Unit E-3-1A, Level 3, Block E, Southgate Commercial Centre, No. 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur.

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 10 to the financial statements. There have been no significant changes in the nature of the activities during the financial year.

The functional currency of the Company is Ringgit Malaysia (‘RM’) as the sales and purchases are mainly denominated in RM, receipts from operations are usually retained in RM and funds from financing activities are mainly generated in RM.

For the purpose of the consolidated financial statements, the financial statements of each entity within the Group are expressed in RM, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year except as discussed below:

MFRSS that have been issued but are not yet effective
The Group and the Company have not adopted the following Malaysian Financial Reporting Standards that have been issued by the Malaysian Accounting Standard Board but are not yet effective:

Effective for annual period beginning on or after 01 January 2016
Amendments to MFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 7 Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to MFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101 Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 119 Employee Benefits (Annual Improvements 2012-2014 Cycle)
Amendments to MFRS 127 Separate Financial Statements – Equity Method in Separate Financial Statements
Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

Effective for annual periods beginning on or after 01 January 2017
Amendments to MFRS 107 Statement of Cash Flows – Disclosure Initiative
Amendments to MFRS 112 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 01 January 2018
MFRS 9 Financial Instruments (2014)
MFRS 15 Revenue from Contracts with Customers

Effective for annual periods beginning on or after 01 January 2019
MFRS 16 Leases

*The effective date of this Standard has been deferred and yet to be announced by MASB.

2. ADOPTION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS ... cont'd.

These pronouncements are not expected to have any effect to the financial statements of the Group and the Company upon their initial application, except as described below:

MFRS 9 Financial Instruments

In November 2015, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 01 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied. Either a full or modified retrospective application is required for annual periods beginning on or after 01 January 2017 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the stipulated effective date. MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the MFRSs and International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

(a) Basis of Preparation

The financial statements have been prepared on the historical cost basis unless otherwise indicated in the other section of accounting policies.

The principal accounting policies adopted are set out below.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all subsidiaries. Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is accounted for in the Company's separate financial statements at cost. If an investment in a subsidiary is classified as held for sale, that investment is accounted for in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The results of a subsidiary are included in the consolidated financial statements from the acquisition date until the date on which the Company ceases to control the subsidiary. Any difference between the fair value of the consideration received from the loss of control of a subsidiary and the carrying amount as at the date when control is lost, including the cumulative amount of any translation difference that relate to the subsidiary formerly recognised in other comprehensive income, is reclassified to consolidated profit or loss as a gain or loss. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to owners of the Company. Non-controlling interests in the profit or loss of the Group are also separately disclosed.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributable to the owners of the Company.

All intragroup balances, transactions, income and expenses are eliminated in full.

(c) Business Combinations

Business combinations are accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the Group allocates the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria in MFRS 3 Business Combinations at their fair values, except for non-current assets and disposal groups that are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

(d) Investment Properties

Investment properties are property which are held either to earn rental income or for capital appreciation or both. The Group measured its investment at cost less accumulated depreciation and any impairment losses. Freehold land is not depreciated as it has an infinite live except for freehold office lots. The freehold office lots are depreciated at an annual rate of 2%.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties 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 properties, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

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

(e) Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset 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. After recognition as an asset, items of property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

The revaluations are made at least once in every five years based on a valuation by an independent valuer. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is recognised in the profit or loss to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance thereafter recognised as an expense.

Freehold land is not depreciated and leasehold land and buildings is amortised over the lease term. Depreciation also is not provided for certain buildings and those properties with an unexpired lease period of 50 years or more as the Group's practice is to maintain the properties in a good condition. The related maintenance expenditure is charged to the profit or loss. Depreciation of other property, plant and equipment is computed on a straight line method at rates calculated to write off the cost of assets over their estimated useful lives.

	Percentage (%)
Motor vehicles	10-20
Furniture and fittings	10
Office equipment	10
Data processing equipment	20
Electrical installation	10
Motor vehicles workshop	10
Renovations	10
Boats	15
Computer integrated systems	10

The residual values, useful live 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.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is included in profit or loss. Neither the sale proceeds nor any gain on derecognition is classified as revenue.

(f) Goodwill

Goodwill arising on the acquisition of a subsidiary or a proportionately consolidated jointly-controlled entity, being the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated at the acquisition date to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. An impairment loss is recognised for a cash-generating unit when the recoverable amount of the unit is less than the carrying amount of the unit. Any impairment loss recognised is first allocated to reduce the carrying amount of any goodwill allocated to the unit and then, to the other assets of the unit within the scope of MFRS 136 Impairment of Assets pro rata on the basis of the carrying amount of each applicable asset in the unit. Any impairment loss recognised for goodwill is not reversed.

Goodwill arising on the acquisition of investments in associates is included within the carrying amount of the investments and is assessed for impairment as part of the investment.

If, after reassessment, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in profit or loss as a gain from a bargain purchase.

On disposal of a subsidiary or a proportionately consolidated jointly-controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal and charged or credited in profit or loss.

(g) Investment in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in associates is accounted for in the Company's separate financial statements at cost. If an associate is classified as held for sale, the investment is accounted for in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Investment in associates are accounted for in the Group's consolidated financial statements using the equity method until the date the Group ceases to have significant influence over the associates or the investment is classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investment in associates are initially recognised at cost and thereafter, the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the investees after the date of acquisition. Losses of associates in excess of the Group's interest in the associates, include any long-term interests that form part of the Group's net investment in the associates, are not recognised.

Profits or losses on transactions entered into between the Group and associates are eliminated to the extent of the Group's interest in the associates.

On acquisition of an investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is included in the carrying amount of the investment. If, after reassessment, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is included as income in the determination of the Group's share of the associates' profit or loss in the period in which the investment is acquired.

(h) Land Held for Development and Development Properties

Land Held for Development

Land held for development representing lands held for future development are stated at cost of acquisition including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use. Such assets are transferred to development properties when significant development work is to be undertaken and is expected to complete within the normal operating cycle.

Development Properties

Development properties comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that 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 development properties, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

(i) Impairment of Assets Other Than Goodwill and Financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Irrespective of whether there is any indication of impairment, the Group and the Company test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing the carrying amount with its recoverable amount. When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Group and the Company determine the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other assets of the unit within the scope of MFRS 136 Impairment of Assets pro rata on the basis of the carrying amount of each appropriate asset in the unit. An impairment loss is recognised immediately in profit or loss.

An impairment loss recognised in prior periods for an individual asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Foreign Currencies

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except when a gain or loss on a non-monetary item is recognised in other comprehensive income. If so, any exchange differences relating to that gain or loss is recognised in other comprehensive income.

Exchange Differences on Net Investment in Foreign Operations

Exchange differences arising on monetary items that forms part of the Company's net investment in foreign operations are recognised in the profit or loss in the separate financial statements of the Company. In the consolidated financial statements, such exchange differences are recognised initially in other comprehensive income and accumulated in equity under the heading of translation reserves. On the disposal of a foreign operation, the cumulative amounts of the exchange differences relating to the foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, are reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

Foreign Operations

Assets and liabilities of foreign operations, including goodwill arising on the acquisition and any fair value adjustments, are translated into Ringgit Malaysia at the closing rate at the end of the reporting period. Income and expenses are translated at exchange rates approximating the exchange rates at the date of the transactions. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve. On disposal of the foreign operations, the cumulative amounts of the exchange differences relating to the foreign operations, recognised in other comprehensive income and accumulated in the separate component of equity, are reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprise of the original cost of purchase plus the cost of bringing the inventories to its location. Cost is determined on the First-In-First-Out basis.

Cost of unsold completed properties comprises proportionate cost of land and development expenditure.

Net realisable value represents the fair value less costs to sell.

(l) Deferred and Development Expenditure

Cost incurred by subsidiary companies engaged in hotel and resort management are deferred to the extent that the directors opinion such expenditure is expected to generate future economic benefits.The cost incurred, considered to have finite useful lives, is stated at cost less any impairment losses and are amortised using the straight–line basis over the estimated economic useful lives of 5 years. Impairment is assessed whenever there is an indication of impairment loss and the amortisation period and method are also reviewed at least at each reporting date.

(m) Provisions

A provision is recognised when the Group and the Company have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

(n) Leases – as lessee

Finance Leases

Leases of property, plant and equipment are classified as finance lease where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Group and the Company.

The Group and the Company initially recognise finance leases as assets and liabilities in the statements of financial position at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments at the inception of the leases. Any initial direct costs are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. A finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss unless they are attributable to qualifying assets, in which case they are capitalised in accordance with the accounting policy for borrowing costs. Contingent rents are charged as an expense in profit or loss in the period in which they are incurred.

The depreciation policy for depreciable leased assets is consistent with that of depreciable assets that are owned. If there is no reasonable certainty that the Group and the Company will obtained ownership by the end of the lease term, the leased assets are depreciated over the shorter of the lease terms and their useful lives.

Operating Leases

All other leases are classified as operating leases. Lease payments under operating leases are recognised as expense in profit or loss on a straight-line basis over the lease term.

(o) Financial Assets

Financial assets are recognised in the statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not at 'fair value through profit or loss'.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, loans and receivables and 'available-for-sale' financial assets. The Group and the Company did not have any financial assets other than loans and receivables and 'available-for-sale'.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

Available-For-Sale Financial Assets

Available-for-sale financial assets are financial assets that are designated as available-for-sale.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss. Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

Impairment of Financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that financial assets held are impaired. Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets which have an impact on the estimated future cash flows of the financial assets that can be reliably measured.

For other financial assets, objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain categories of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for a similar financial assets. Such impairment losses are not reversed.

Derecognition of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Group and the Company transfer the financial assets and the transfers qualify for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

(p) Financial Liabilities and Equity Instruments

Classification of Financial Liabilities and Equity

On initial recognition, financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement.

Interests, dividends, losses or gains relating to a financial instrument that is classified as a financial liability is recognised as income or expense in profit or loss. Distributions to holders of an equity instrument are debited directly to equity, net of any related income tax benefit. Transaction costs of an equity instrument are accounted for as a deduction from equity, net of any related income tax benefit.

Equity Instruments

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are recognised on the statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at fair value, less transaction costs for financial liabilities not at 'fair value through profit or loss'.

After initial recognition, financial liabilities are either classified as at 'fair value through profit or loss' or amortised cost using the effective interest method. The Group and the Company did not have any financial liabilities other than financial liabilities at amortised cost using the effective interest method.

Financial Liabilities at Amortised Cost using the Effective Interest Method

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities.

After initial recognition, financial liabilities other than financial liabilities at 'fair value through profit or loss' are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(q) Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and indirect taxes applicable to the revenue.

Revenue is recognised in the profit or loss based on the following:

Hotel and resort

Revenue from the provision of room, food and beverage sales from hotel and resort operations are recognised based on the value invoiced to customer during the year.

Property development activities

Revenue from property development activities is recognised when it is probable that future economic benefits will flow to the Group and by reference to the stage of completion of the development activities in respect of development units sold. The stage of completion is measured by the completion of a physical proportion of contract work to date.

Travel services and tours

Revenue is recognised upon gross invoiced value on sales of group travel services and tours, hotel arrangements and air ticketing.

Management fee and interest income

Management fee and interest income are recognised on an accrual basis.

Dividend income

Dividend income is accounted for in the profit or loss when the rights to receive have been established.

(r) Employee Benefits

Short-term Employment Benefits

Short-term employment benefits, such as wages, allowances, salaries and social security contributions, are recognised as expense when the employees have rendered services to the Group and the Company.

The expected cost of bonus payments are recognised when the Group and the Company have a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Group and the Company have no realistic alternative but to make the payments.

Defined Contribution Plan

Contributions payable to the defined contribution plan are recognised as expense when the employees have rendered services to the Group and the Company.

(s) Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Current tax and deferred tax are charged or credited directly to other comprehensive income or equity if the tax relates to items that are credited or charged directly to other comprehensive income or equity. Current tax for current and prior periods is recognised as a liability to the extent unpaid. If the amount already paid in respect of the current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be paid or recovered, using the tax rates that have been enacted or substantially enacted by the end of the reporting period. Current tax assets and liabilities are offset only when the Group and the Company have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from initial recognition of goodwill and the initial recognition of assets or liabilities that is not a business combination and at the time of the transaction, affected neither accounting profit nor taxable profit.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group and the Company expect to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

The carrying amounts of the deferred tax assets are reviewed at the end of each reporting period, and they are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit or part of the deferred tax assets to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are offset when the Group and the Company have a legally enforceable right to set off current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Cash and Cash Equivalents

The Group and the Company have adopted the indirect method in preparing the statements of cash flow. Cash and cash equivalents in statements of cash flows comprise cash and bank balances, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

(u) Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the board of directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's and the Company's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined after intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

(v) Interest-bearing Borrowings

Interest-bearing borrowings are recognised at the fair value of the consideration received less directly attributable transaction costs. Borrowing cost directly attributable to the construction of development properties are recognised as part of the cost. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method.

(w) Non-current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if there has been a change in management intentions in respect of the future use of the asset or disposal group, and hence the carrying amount will be recovered principally through a sale transaction rather than through continuing use. On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Immediately before the initial classification as held for sale, the carrying amount of non-current assets and disposal groups is measured in accordance with the applicable MFRSs. An impairment loss is recognised for any initial or subsequent write-down of the assets and disposal groups to fair value less costs to sell. Any subsequent increase in fair value less costs to sell is recognised as a gain in profit or loss, to the extent of the cumulative impairment loss that had previously been recognised.

(x) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in the profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative recognised.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical Judgements in Applying the Accounting Policies

The judgements, apart from those involving estimations described below, that the management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Deferred Tax Assets

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

Key Sources of Estimation Uncertainty

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

Allowance for Doubtful Debts

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Useful Lives of Property, Plant and Equipment and Investment Properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis over their estimated useful lives. The management exercises their judgement in estimating the useful lives of the depreciable assets. The Group and Company assess annually the useful lives of the property, plant and equipment and investment properties and if the expectation differs from the original estimate, such difference will impact the depreciation in the period in which such estimate has been charged.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY ... cont'd

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future revenue from the CGU.

Development properties

The Group recognised development properties in the profit or loss using the stage of completion method. The stage of completion is determined by reference to the proportion of costs incurred for the work performed to date to the estimated total costs where the outcome of the projects can be reliably estimated.

Significant judgement is required in determining the stage of completion, the extent of costs incurred and the estimated total revenue and costs, as well as recoverability of the development properties. In making the judgement, the Group evaluates based on past experience, external economic factors and if possible relying on the work of specialists.

Classification between investment properties and property, plant and equipment

The Company has developed certain criteria based on MFRS140 in making judgement whether qualifies as an investment properties. Investment properties are properties held to earn rental or for capital appreciation or both.

Fair value of investment properties

The directors estimate the fair value of the Group's investment properties based on the comparison with similar properties that were listed for sale within the same locality or other comparable localities and enquiries from relevant property valuers and real estate agents on market conditions and changing market trends.

5. PROPERTY, PLANT AND EQUIPMENT

	Valuation/Cost					
GROUP 2016	**As at 01.04.2015 RM'000**	**Additions RM'000**	**Disposal/ Written off RM'000**	**Forex Fluctuation RM'000**	**Transfer/ Reclassification RM'000**	**As at 31.03.2016 RM'000**
At Valuation						
Building	73,111	-	-	-	-	73,111
At Cost						
Building	126,389	35	-	-	-	126,424
Freehold land	6,223	-	-	-	-	6,223
Leasehold land	33,227	-	-	-	-	33,227
Motor vehicles	1,880	416	(476)	13	-	1,833
Motor vehicles workshop	113	-	-	-	-	113
Furniture and fittings	9,733	67	(180)	20	-	9,640
Office equipment	13,820	529	(108)	82	-	14,323
Data processing equipment	4,329	205	(542)	52	-	4,044
Electrical installation	1,383	75	(154)	-	-	1,304
Boats	71	-	-	-	4	75
Renovations	17,508	12	(14)	9	-	17,515
Computer integrated systems	3,352	-	(42)	-	-	3,310
	291,139	1,339	(1,516)	176	4	291,142

5. PROPERTY, PLANT AND EQUIPMENT ... cont'd.

	Accumulated Depreciation						Net Carrying
GROUP	**As at**	**Charge**	**Disposal/**	**Forex**	**Transfer/**	**As at**	**Amount**
2016	**01.04.2015**	**for the year**	**Written off**	**Fluctuation**	**Reclassification**	**31.03.2016**	**31.03.2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At Valuation							
Building	-	-	-	-	-	-	73,111
At Cost							
Building	3,781	98	-	-	-	3,879	122,545
Freehold land	-	-	-	-	-	-	6,223
Leasehold land	3,852	298	-	-	-	4,150	29,077
Motor vehicles	1,281	192	(345)	8	-	1,136	697
Motor vehicles workshop	-	-	-	-	-	-	113
Furniture and fittings	8,140	320	(180)	15	-	8,295	1,345
Office equipment	8,817	436	(108)	78	-	9,223	5,100
Data processing equipment	3,571	312	(542)	43	-	3,384	660
Electrical installation	1,010	72	(154)	-	-	928	376
Boats	67	1	-	-	5	73	2
Renovations	11,012	1,327	(14)	7	-	12,332	5,183
Computer integrated systems	2,320	328	-	-	-	2,648	662
	43,851	3,384	(1,343)	151	5	46,048	245,094

5. PROPERTY, PLANT AND EQUIPMENT ... cont'd.

GROUP 2015	Valuation/Cost As at 01.04.2014 RM'000	Additions RM'000	Disposal/ Written off RM'000	Forex Fluctuation RM'000	Transfer/ Reclassification RM'000	As at 31.03.2015 RM'000
At Valuation						
Building	73,111	-	-	-	-	73,111
At Cost						
Building	109,527	16,862	-	-	-	126,389
Freehold land	4,093	409	-	-	1,721	6,223
Leasehold land	31,903	441	-	-	883	33,227
Motor vehicles	1,842	453	(422)	7	-	1,880
Motor vehicles workshop	113	-	-	-	-	113
Furniture and fittings	10,400	391	(1,081)	23	-	9,733
Office equipment	13,872	250	(265)	(37)	-	13,820
Data processing equipment	7,023	354	(160)	78	(2,966)	4,329
Electrical installation	1,418	64	(99)	-	-	1,383
Boats	71	-	-	-	-	71
Renovations	15,362	1,777	(887)	11	1,245	17,508
Computer integrated systems	3,352	-	-	-	-	3,352
	272,087	21,001	(2,914)	82	883	291,139

5. PROPERTY, PLANT AND EQUIPMENT ... cont'd.

	Accumulated Depreciation						Net Carrying
GROUP	**As at**	**Charge**	**Disposal/**	**Forex**	**Transfer/**	**As at**	**Amount**
2015	**01.04.2014**	**for the year**	**Written off**	**Fluctuation**	**Reclassification**	**31.03.2015**	**31.03.2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At Valuation							
Building	-	-	-	-	-	-	73,111
At Cost							
Building	3,683	98	-	-	-	3,781	122,608
Freehold land	-	-	-	-	-	-	6,223
Leasehold land	2,605	364	-	-	883	3,852	29,375
Motor vehicles	1,294	235	(251)	3	-	1,281	599
Motor vehicles workshop	-	-	-	-	-	-	113
Furniture and fittings	8,874	328	(1,081)	19	-	8,140	1,593
Office equipment	8,496	615	(257)	(37)	-	8,817	5,003
Data processing equipment	3,458	206	(159)	66	-	3,571	758
Electrical installation	1,042	67	(99)	-	-	1,010	373
Boats	66	1	-	-	-	67	4
Renovations	10,165	1,402	(565)	10	-	11,012	6,496
Computer integrated systems	1,989	331	-	-	-	2,320	1,032
	41,672	3,647	(2,412)	61	883	43,851	247,288

5. PROPERTY, PLANT AND EQUIPMENT ... cont'd.

	Cost				Accumulated Depreciation				Net Carrying
COMPANY 2016	**As at 01.04.2015 RM'000**	**Additions RM'000**	**Disposal RM'000**	**As at 31.03.2016 RM'000**	**As at 01.04.2015 RM'000**	**Charge for the year RM'000**	**Disposal RM'000**	**As at 31.03.2016 RM'000**	**Amount 31.03.2016 RM'000**
Motor vehicles	452	445	(308)	589	452	79	(308)	223	366
Furniture and fittings	98	13	-	111	12	11	-	23	88
Office equipment	29	12	-	41	14	3	-	17	24
Data processing equipment	71	12	-	83	53	9	-	62	21
Electrical installation	29	-	-	29	20	3	-	23	6
Renovations	407	-	-	407	12	41	-	53	354
	1,086	482	(308)	1,260	563	146	(308)	401	859

	Cost				Accumulated Depreciation				Net Carrying
COMPANY 2015	**As at 01.04.2014 RM'000**	**Additions RM'000**	**Disposal RM'000**	**As at 31.03.2015 RM'000**	**As at 01.04.2014 RM'000**	**Charge for the year RM'000**	**Disposal RM'000**	**As at 31.03.2015 RM'000**	**Amount 31.03.2015 RM'000**
Motor vehicles	452	-	-	452	424	28	-	452	-
Furniture and fittings	930	87	(919)	98	922	8	(918)	12	86
Office equipment	185	6	(162)	29	175	2	(163)	14	15
Data processing equipment	62	11	(2)	71	45	9	(1)	53	18
Electrical installation	121	1	(93)	29	110	3	(93)	20	9
Renovations	545	407	(545)	407	537	14	(539)	12	395
	2,295	512	(1,721)	1,086	2,213	64	(1,714)	563	523

5. PROPERTY, PLANT AND EQUIPMENT ... cont'd.

(a) The details of independent professional valuation of the buildings are as follows:

Year of Valuation	Description of Property	Basis of Valuation
2015	Building	Open Market Value
2009	Building	Open Market Value

The recent revaluation is not significantly different compared to the previous revaluation done in 2009. Therefore no revaluation surplus being adjusted during the current financial year.

(b) Had the revalued building been stated in the financial statements at cost less accumulated depreciation, the net carrying amount would have been as follows:

GROUP	2016 RM'000	2015 RM'000
Buildings	49,257	50,403

(c) Had the building been stated in the financial statements at valuation less accumulated depreciation, the net carrying amount would have been as follows:

GROUP	2016 RM'000	2015 RM'000
Building	110,820	113,397

(d) Included in the Group's and the Company's property, plant and equipment are motor vehicles which have been acquired by hire purchase arrangements with a net carrying amount of RM0.638 million and RM0.366 million (2015: RM0.400 million and RMNil million) respectively.

(e) Included in the Group's property, plant and equipment are certain assets that have been pledged to secure against banking facilities granted to the Group as disclosed in Note 17 and Note 20 to the financial statements.

(f) Included in the Group's property, plant and equipment are certain buildings where the Group is the beneficial owner.

6. LAND HELD FOR DEVELOPMENT AND DEVELOPMENT PROPERTIES

GROUP	2016 RM'000	2015 RM'000
Leasehold land	17,871	17,871
Freehold land	27,600	27,600
Development cost	62,525	66,168
	107,996	111,639
Less: Non-current portion, classified as land held for development	(67,789)	(65,292)
Current portion, classified as development properties	40,207	46,347

Included in the total land held for development and development properties are carrying amount of RM19.617 million (2015: RM96.958 million) which have been pledged as security for banking facilities granted to the Group as stated in Note 17 to the financial statements.

7. INVESTMENT PROPERTIES

GROUP	2016 RM'000	2015 RM'000
Cost		
Beginning/End of the year	4,082	4,082
Accumulated Depreciation		
Beginning of the year	264	224
Charge for the year	39	40
End of the year	303	264
Net Carrying Amount	3,779	3,818

As at 31 March 2016, the fair values of the investment properties were estimated to be higher than the net carrying amount of the investment properties based on the directors' estimation.

8. GOODWILL ARISING ON CONSOLIDATION

GROUP	2016 RM'000	2015 RM'000
Beginning of the year	32,035	32,035
Less: Accumulated impairment losses	(12,321)	-
End of the year	19,714	32,035

Goodwill acquired in the business combinations is, from the acquisition date, allocated to the cash-generating units ('CGU') that are expected to benefit from the synergies of the combination, as follows:

	2016 RM'000	2015 RM'000
Property development	9,927	11,860
Tourism	9,787	20,175
	19,714	32,035

The recoverable amount of a CGU is determined based on value in use and were determined by discounting the future cash flows generated from the continuing use of the unit and were based on the following key assumptions:

(a) The cash flow projections were approved by the management covering a reasonable period;

(b) The subsidiary companies will continue its operation indefinitely;

(c) The gross profit margin is based on past performance and its expectations of market development;

(d) The growth rate used is based on expected growth rates for sales; and

(e) The discount rate used is pretax and reflect specific risks relating to the relevant segments.

9. INVESTMENT IN ASSOCIATES

GROUP	**2016 RM'000**	**2015 RM'000**
Unquoted shares, at cost	321	321
Share of attributable post acquisition loss after taxation	(300)	(274)
	21	47
Represented by:		
Share of net tangible assets	21	47

The details of the associated companies are as follows:

Name of Companies	**Equity Interest 2016 %**	**Equity Interest 2015 %**	**Country of Incorporation**	**Principal Activities**
Held by RPB Holdings (Overseas) Limited				
*@ Vacation Asia (Thailand) Co. Limited	49	49	Thailand	Travel services and tours
*^ Reliance Holidays (Thailand) Limited	49	49	Thailand	Travel services and tours

* These financial statements are not audited by AljeffriDean
^ The financial year end is 31 December
@ The Group has discontinued recognition of its share of losses as the share of accumulated losses of the associate has exceeded the Group's investment in that associate

9. INVESTMENT IN ASSOCIATES ... cont'd.

The Group's share of revenue and net (loss)/profit of associates are as follows:

	2016 RM'000	2015 RM'000
Revenue	361	4,716
Net (loss)/profit for the year	(26)	10

The Group's share of assets and liabilities of associates are as follows:

	2016 RM'000	2015 RM'000
Non-current assets	191	238
Current assets	713	1,085
Current liabilities	(664)	(1,049)
Currency translation differences	(219)	(227)
Net tangible assets	21	47

10. SUBSIDIARY COMPANIES

COMPANY	2016 RM'000	2015 RM'000
Unquoted shares, at cost	37,216	37,216

10. SUBSIDIARY COMPANIES ... cont'd.

The details of subsidiary companies are as follows:

Name of Companies	Equity 2016 %	Interest 2015 %	Principal Activities
Hotel Division			
a) Incorporated in Malaysia			
Fortune Valley Sdn. Bhd.	100	100	Development and management of hotels
Avillion Hotel Group Sdn. Bhd.	100	100	Hotel and resort management
Avillion Hotels International Sdn. Bhd.	100	100	Hotel and resort management
Avi Spa Sdn. Bhd.	100	100	Operate and manage spa and health centre
Avillion Suite Hotel (PD) Sdn. Bhd.	100	100	Provision of management services for hotel suites and service apartments
Avillion Vista Hotel Sdn. Bhd.	100	100	Provision of management services for hotel suites and service apartments
Avillion Hotel (KL) Sdn. Bhd.	100	100	Dormant
Upper House Sdn. Bhd.	100	100	Struck off on 25 May 2016
RPB Management Services (Overseas) Sdn. Bhd.	100	100	Dormant
RPB Hotel & Resort Management Sdn. Bhd.	60	60	Dormant
Gateway Inn Management Sdn. Bhd.	51	51	Dormant

10. SUBSIDIARY COMPANIES ... cont'd.

	Name of Companies	Equity 2016 %	Interest 2015 %	Principal Activities
	Hotel Division			
b)	Incorporated in British Virgin Islands			
	RPB Holdings (Overseas) Limited	100	100	Investment holding
	RPB Development (BVI) Limited	100	100	Struck off in May 2016
	Xplonet Investments Limited	100	100	Investment company
c)	Incorporated in Australia			
	*Reliance – OSW (Nominees) Pty Ltd	-	51	Deregistered
	*Avillion Hotels International (Sydney) Pty Ltd	-	51	Deregistered
	*RPB Hotels International Services Pty Ltd	-	100	Deregistered
d)	Incorporated in Hong Kong			
	*Avillion Private Collection Limited	100	100	Property marketing and management service
	*Everwin Inc Limited	-	100	Deregistered
e)	Incorporated in Indonesia			
	*PT Avillion Indonesia	100	100	Management and advisory consultancy in hotel, property and tourism industry

10. SUBSIDIARY COMPANIES ... cont'd.

Name of Companies	Equity 2016 %	Interest 2015 %	Principal Activities
Property Division			
Incorporated in Malaysia			
RPB Development Sdn. Bhd.	100	100	Hotel and resort development
Mela Lifestyle Sdn. Bhd.	100	100	Property development
Culmen Sdn. Bhd.	100	100	Investment holding
Finesta Sdn. Bhd.	100	100	Dormant
Meridian Haven Sdn. Bhd.	100	100	Investment holding
Golden Envoy (M) Sdn. Bhd.	100	100	Property development
Nesline Sdn. Bhd.	100	100	Investment holding
Taman Unik Sdn. Bhd.	100	100	Investment holding
Festive Place Sdn. Bhd.	100	100	Development and management of tourism related projects and property investment
Vast Access Sdn. Bhd.	100	100	Investment and property holding
Admiral Cove Development Sdn. Bhd.	80	80	Property and resort development
Admiral Marina Berhad	100	100	Operation of a marina club including berthing facilities
ACD Project Management Services Sdn. Bhd.	100	100	Provision of project management services
Genius Field Sdn. Bhd.	100	100	Investment holding
Admiral Hill Hotel Sdn. Bhd.	80	80	Property and resort development

Notes to the Financial Statements ... cont'd.

10. SUBSIDIARY COMPANIES ... cont'd.

Name of Companies	Equity 2016 %	Interest 2015 %	Principal Activities
Tourism Division			
a) Incorporated in Malaysia			
Reliance E-Com Sdn. Bhd.	100	100	Investment company in relation to electronic commerce
Traveleasi Sdn. Bhd.	100	100	Electronic commerce in relation to reservation services for airline tickets and tour packages via the internet and the development of related systems and products
Reliance Shipping & Travel Agencies (Perak) Sdn. Bhd.	100	100	Investment holding
Xplonet Capital Sdn. Bhd.	100	100	Dormant
Avillion Hotels Worldwide Sdn. Bhd.	100	100	Struck off on 25 May 2016
Avi Spa International Sdn. Bhd.	100	100	Struck off on 25 May 2016
b) Incorporated in Singapore			
*Reliance Travel Agencies (S) Pte. Ltd.	100	100	Travel services, outbound tours and other related services
*Vacation Singapore DMC Pte. Ltd.	100	100	Travel services, rental of vehicles and other related services

Notes to the Financial Statements ... cont'd.

10. SUBSIDIARY COMPANIES ... cont'd.

Name of Companies	Equity 2016 %	Interest 2015 %	Principal Activities
Tourism Division			
c) Incorporated in Australia			
*Australian Vacations Pty Ltd	100	100	Travel services and tours
*Reliance Travel Pty Ltd	100	100	Travel services and tours
d) Incorporated in Hong Kong			
*Reliance Travel (Hong Kong) Limited	100	100	Travel services and tours
*Vacation Asia (HK) Limited	100	100	Travel services and tours
*Vacationland Tours (HK) Limited	100	100	Dormant
Support Companies			
Incorporated in Malaysia			
*RPB Capital Holdings Sdn. Bhd.	100	100	Investment holding
*READ Advertising Sdn. Bhd.	100	100	Advertising and media services
*OS Resources Sdn. Bhd.	100	100	Office services, administration and provision of information technology products and services and property investment

* These financial statements are not audited by AljeffriDean

10. SUBSIDIARY COMPANIES ... cont'd.

The summarised financial information on the subsidiary companies that have a non-controlling interest ("NCI") before intra group elimination is as follows:

(a) Summarised statements of profit or loss

	2016	**2015**
	RM'000	**RM'000**
Revenue	10,104	12,381
(Loss)/Profit before taxation	(763)	1,001
Taxation	(7)	26
Net (loss)/profit for the year	(770)	1,027
(Loss)/Profit for the year allocated to NCI	(157)	212

(b) Summarised statements of financial position

	2016	**2015**
	RM'000	**RM'000**
Total assets	143,472	144,860
Total liabilities	(126,027)	(126,644)
Net assets	17,445	18,216

(c) Summarised statements of cash flow

	2016	**2015**
	RM'000	**RM'000**
Cash flow from operating activities	910	2,478
Cash flow from investing activities	(898)	(1,468)

11. OTHER INVESTMENTS

GROUP	2016 Fair/ Market value RM'000	2016 Carrying amount RM'000	2015 Fair/ Market value RM'000	2015 Carrying amount RM'000
Available-for-sale financial assets				
Unquoted shares	60	60	122	122
Quoted shares	336	336	317	317
	396	396	439	439

12. DEFERRED AND DEVELOPMENT EXPENDITURE

GROUP	2016 RM'000	2015 RM'000
Beginning of the year	11	26
Less: Written off	-	(15)
End of the year	11	11

13. DEFERRED TAXATION

	GROUP		COMPANY	
	2016 RM'000	2015 RM'000 *As Restated*	2016 RM'000	2015 RM'000
Deferred tax assets	172	162	-	-
Deferred tax liabilities	(4,195)	(4,194)	(16)	(16)
Net position	(4,023)	(4,032)	(16)	(16)

13. DEFERRED TAXATION ... cont'd.

The following are the movements of deferred tax assets and liabilities (before offsetting):

Deferred Tax Assets	**GROUP**		**COMPANY**	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Beginning of the year	162	213	-	-
Exchange differences	-	1	-	-
Recognised in profit or loss (Note 26)	10	(52)	-	-
End of the year	172	162	-	-

Deferred Tax Liabilities	**GROUP**		**COMPANY**	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000** ***As Restated***	**RM'000**	**RM'000**
Beginning of the year	(4,194)	(4,212)	(16)	(16)
Exchange differences	6	(3)	-	-
Recognised in profit or loss (Note 26)	(7)	21	-	-
End of the year	(4,195)	(4,194)	(16)	(16)

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred Tax Assets - GROUP 31.03.2016	**Unutilised investment tax allowances RM'000**	**Accelerated capital allowances RM'000**	**Total RM'000**
Beginning of the year	851	(689)	162
Recognised in profit or loss (Note 26)	10	-	10
End of the year	861	(689)	172
31.03.2015			
Beginning of the year	1,546	(1,333)	213
Exchange differences	1	-	1
Recognised in profit or loss (Note 26)	(696)	644	(52)
End of the year	851	(689)	162

13. DEFERRED TAXATION ... cont'd.

Deferred Tax Liabilities - GROUP 31.03.2016	Revaluation reserve RM'000	Accelerated capital allowances RM'000	Total RM'000
Beginning of the year	(3,656)	(538)	(4,194)
Exchange differences	-	6	6
Recognised in profit or loss (Note 26)	-	(7)	(7)
End of the year	(3,656)	(539)	(4,195)
31.03.2015 As Restated			
Beginning of the year	(3,656)	(556)	(4,212)
Exchange differences	-	(3)	(3)
Recognised in profit or loss (Note 26)	-	21	21
End of the year	(3,656)	(538)	(4,194)

Deferred Tax Liabilities - COMPANY 31.03.2016	Accelerated capital allowances RM'000	Total RM'000
Beginning/End of the year	(16)	(16)
31.03.2015		
Beginning/End of the year	(16)	(16)

14. INVENTORIES

GROUP	2016 RM'000	2015 RM'000
At cost:		
Promotional items	455	105
Trading merchandise	726	746
Unsold completed properties	18,293	15,167
	19,474	16,018

Included in the unsold completed properties are 29 units (2015: 25 units) of properties which have been pledged to secure against the banking facilities as disclosed in Note 17 to the financial statements.

15. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade receivables	18,240	29,214	-	-
Less: Allowance for doubtful debts	(264)	(502)	-	-
	17,976	28,712	-	-
Other receivables	39,452	38,053	24,399	24,298
Less: Allowance for doubtful debts	(777)	(777)	-	-
	38,675	37,276	24,399	24,298
Deposits and prepayments	1,619	1,174	1,619	1,174
	58,270	67,162	26,018	25,472

(a) The normal credit term of trade receivables ranging from 30 to 90 days (2015: 30 to 90 days).

(b) Included in the Company's other receivables are amount due from related companies amounting to RM24.39 million (2015: RM24.29 million) which is unsecured, subject to interest rate at 1.5% (2015: 1.5%) per annum and are repayable on demand. All other amounts are interest free.

(c) As at 31 March 2016, the Group's trade receivables ageing are as follows:

	2016 RM'000	2015 RM'000
Neither past due nor impaired	6,568	8,698
01 to 30 days past due but not impaired	3,094	5,494
31 to 60 days past due but not impaired	1,249	1,759
61 to 90 days past due but not impaired	1,855	1,988
More than 91 days past due but not impaired	5,210	10,773
	17,976	28,712
Impaired	264	502
	18,240	29,214

15. TRADE AND OTHER RECEIVABLES .... cont'd.

Trade receivables that are neither past due nor impaired

Trade receivables that were neither past due nor impaired relate to customers from whom there were no default. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Trade receivables that were past due but not impaired relate to customers where there is no expectation of default. The directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Trade receivables that is impaired

The Group's movement of the allowance accounts used to record the impairment are as follows:

	2016	2015
	RM'000	RM'000
Beginning of the year	502	492
Net allowance	(238)	10
End of the year	264	502

16. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The amount due from/(to) subsidiary companies are unsecured and are repayable on demand. Interest rate ranging from 1.5% to 6.85% (2015: ranging from 1.5% to 4%) per annum is charged on amount owing of RM206.433 million (2015: RM187.429 million) to certain subsidiaries. All other amounts are interest free.

17. TERM LOANS

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total term loans	88,585	76,082	81,486	48,744
Less:				
Payable within 1 year (Note 20)	(12,181)	(27,258)	(6,000)	(15,590)
Payable after 1 year	76,404	48,824	75,486	33,154

The Company has been granted with term loans as follows:

(a) Term loan of RM40 million from financial institution for a period of 5½ years. The purpose of this term loan is to refinance the CLO. The repayment is by quarterly principal repayment of RM2 million each commencing on the 7th month from the date of first drawdown. The interest rate charged is at 2.50% per annum above the Bank's Cost of Funds. The term loan is secured against the lands located at Langkawi, Melawati and Port Dickson. The term loan has been fully settled during the financial year.

(b) Term loan of RM45 million from financial institution for a period of 7 years. The purpose of the term loan is to refinance the RM40 million term loan and RM5 million bank overdraft. The repayment is by 26 quarterly installments of RM1.731 million each commencing upon expiry of the 6 months grace period from the date of first drawdown. The effective interest rate is at 2.5% per annum above the Bank's Cost of Funds. The term loan is secured against the third party first legal charge on subsidiary company properties located at Port Dickson. The term loan has been fully settled during the financial year.

(c) Term loan of RM3 million from financial institution for a period of 5 years. The purpose of the term loan is to part finance the upgrading works for subsidiary company. The repayment is by 18 quarterly installments of RM0.167 million each commencing upon expiry of the 6 months grace period from the date of first drawdown. The effective interest rate is at 2.5% per annum above the Bank's Cost of Funds. The term loan is secured against the third party second legal charge on subsidiary company properties located at Port Dickson. The term loan has been fully settled during the financial year.

(d) Term loan of RM7 million from financial institution for a period of 2 years. The purpose of the term loan is to refinance the term loan. The repayment is by 4 equal semi-annual installments of RM1.75 million each commencing upon expiry of the 6 months from the date of first drawdown. The interest rate is at 1.5% per annum above the effective Bank's Lending Rate. The term loan is secured against third party and first legal charge over related company's property located at Port Dickson.

17. TERM LOANS ... cont'd.

(e) Term loan of RM70 million from financial institution for a period of 8 years. The purpose of the term loan is to refinance the overdraft and term loan. The repayment is by 15 semi-annual installments commencing upon expiry of the 12 months grace period from the date of first drawdown. The effective interest rate is at 2.25% per annum above the Bank's Cost of Funds. The term loan is secured against the first legal charge on subsidiary company properties located at Port Dickson.

(f) Term loan of RM12 million from financial institution for a period of 2 years. The purpose of the term loan is to refinance the term loan and working capital. The repayment is by 7 quarterly installments, 3 installments at RM1 million and 4 installments at RM2.25 million commencing upon expiry of the 6 months grace period from the date of first drawdown. The effective interest rate is at 8.5% per annum. The term loan is secured against the third party first legal charge on subsidiary company properties located at Port Dickson.

The subsidiary companies have been granted with term loans as follows:

(a) The term loan of RM20 million from a financial institution for a period of 7 years. The purpose of the term loan is to finance construction or upgrading works at Avillion Port Dickson Resort. The repayment is by 26 equal quarterly installments, 12 equal quarterly installments of RM0.769 million each commencing on the 7th month from the date of first drawdown and subsequent 13th quarterly onwards at repayment installments of RM0.581 million. The effective interest rate at 7.85% per annum. The term loan is secured by third party, first legal charge over a double storey clubhouse and Marina basin and corporate guarantee by the Company.

(b) The term loan of RM25 million for a period of 7 years. The purpose of the term loan is to part-finance the acquisition of 2,728,627 ordinary shares or at 39.99% shares in Menara Ampang Sdn Bhd. The repayment is by 26 equal quarterly installments of RM0.961 million each commencing upon expiry of the 6 months grace period from the date of first drawdown. The interest rate is at 0.5% per annum above the effective Bank's Lending Rate. The term loan is secured by third party and third legal charge on related company properties located at Port Dickson and corporate guarantee by the Company. The term loan has been fully settled during the financial year.

(c) The term loan of RM4.1 million from a financial institution for a period of 2 years. The purpose of the term loan is to part-finance the infrastructure cost for the project located in Bandar Tenggara, Johor. The repayment is by 3 equal semi-annual installments of RM1 million each and final semi-annual installment of RM1.1 million commencing upon expiry of the 6 months from the date of first drawdown. The interest rate is at 1.5% per annum above the effective Bank's Lending Rate. The term loan is secured against the third party and third legal charge over related company's property located at Port Dickson.

(d) Term loan of RM3 million from financial institution for a period of 4 years. The purpose of the term loan is to finance refurbishment and maintenance and repair related cost at Avillion Port Dickson Resort. The repayment is by 6 semi-annual installments, one installment at RM0.375million, 4 installments at RM0.5 million and last installment at RM0.625 million commencing upon expiry of the 18 months grace period from the date of first drawdown. The effective interest rate is at 2.25% per annum above the Bank's Cost of Funds. The term loan is secured against the second legal charge on subsidiary company properties located at Port Dickson.

18. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum payments				
- Not later than 1 year	149	149	64	2
- Later than 1 year and not later than 5 years	424	322	272	-
	573	471	336	2
Less: Future finance charges	(69)	(52)	(37)	-
Present value of hire purchase payables	504	419	299	2
Present value of hire purchase payables				
- Not later than 1 year	144	120	57	2
- Later than 1 year and not later than 5 years	360	299	242	-
	504	419	299	2

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	16,691	19,331	-	-
Other payables	10,941	3,729	752	244
	27,632	23,060	752	244

The normal credit term granted to the Group range from 30 to 90 days (2015: 30 to 90 days).

20. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank overdraft				
- Secured	38,377	52,809	11,378	27,062
- Unsecured	1,879	-	1,879	-
	40,256	52,809	13,257	27,062
Revolving credit (secured)	13,500	13,500	10,000	10,000
Term loan (secured) *				
- Current portion (Note 17)	12,181	27,258	6,000	15,590
	65,937	93,567	29,257	52,652

The above bank borrowings are secured as follows:

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
i) Charged over certain property, plant and equipment of related and subsidiary companies	33,999	58,157	22,378	47,652
ii) Joint and several guarantee by the subsidiary companies	-	-	8,000	17,819

*Details of securities of term loans are disclosed in Note 17 to the financial statements.

21. SHARE CAPITAL

GROUP AND COMPANY	2016 RM'000	2015 RM'000
Ordinary shares of RM0.20 each		
Authorised	500,000	500,000
Issued and fully paid-up	171,710	171,710

22. RESERVES

	GROUP		COMPANY	
	2016 RM'000	2015 RM'000 *As Restated*	2016 RM'000	2015 RM'000
Non-distributable:				
Share premium reserve (Note a)	19,911	19,911	19,911	19,911
Share buy-back reserve (Note b)	8,930	8,930	8,930	8,930
Available-for-sale reserve (Note c)	(4,677)	(4,696)	-	-
Foreign currency translation reserve (Note d)	(871)	3,172	-	-
Revaluation reserve (Note e)	69,455	69,455	-	-
	92,748	96,772	28,841	28,841
Distributable:				
Accumulated profits/(losses) (Note f)	54,568	78,668	(14,011)	(4,369)
	147,316	175,440	14,830	24,472

(a) Share premium reserve arose from the issues of ordinary shares in excess of the par value.
(b) Share buy-back reserve arose pursuant to the Company's purchase of its own shares.
(c) Available-for-sale reserve arose from the restatement to fair value of 'available-for-sale' financial assets held by the Group at the end of the reporting period.
(d) Foreign currency translation reserve arose from the exchange differences on the translation of foreign operations.
(e) Revaluation reserve relates to the revaluation of the Group's buildings.
(f) Tax on the Company's profits is a final tax and dividends distributed to shareholders will be exempted from tax.

23. ANALYSIS OF GROUP'S REVENUE AND COST OF SALES

Revenue of the Company represents management fees and investment income. Revenue of the Group represents the gross invoiced value of tour operations, less discounts and returns and agency commission; income from the provision of room, food and beverage from hotel and resort operations; income from other travel related services; proportionate sale value of development properties completed during the year; fees from business computing solutions rendered and income from the operation of a marina club.

GROUP	**Revenue**	**Cost of sales**	
2016	**RM'000**	**RM'000**	**Composition of cost of sales**
Hotel and resort management	40,571	5,797	Cost of material purchased and related overheads
Properties	24,632	17,242	Development cost of properties and discount given to club members
Tours operations and other travel related services	126,762	120,491	Purchases of tours, tickets, hire of coach, fuel, maintenance and upkeep of vehicles, and other related expenses
Support	2,234	1,101	Cost of services and related expenses
	194,199	144,631	
2015			
Hotel and resort management	44,848	4,916	Cost of material purchased and related overheads
Properties	17,551	8,579	Development cost of properties and discount given to club members
Tours operations and other travel related services	122,313	114,215	Purchases of tours, tickets, hire of coach, fuel, maintenance and upkeep of vehicles, and other related expenses
Support	4,029	2,712	Cost of services and related expenses
	188,741	130,422	

24. PROFIT FROM OPERATIONS

(Loss)/Profit from operations is arrived at:

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
After charging:				
Directors' remuneration:				
- Short term benefits	3,057	3,405	1,723	1,604
- EPF contributions	184	282	117	176
Audit fees				
- Current year	278	270	15	15
- Over provision in previous year	-	(24)	-	-
Bad debt written off	-	-	15	-
Rental of office	1,465	1,462	281	239
Depreciation of property, plant and equipment	3,384	3,647	146	64
Depreciation of investment properties	39	40	-	-
Impairment losses of goodwill	12,321	-	-	-
Property, plant and equipment written off	-	21	-	7
Loss on disposal of land held for development	101	-	-	-
Loss on foreign exchange	104	125	3,826	15
Deferred expenditure written off	-	15	-	-
Net allowance for doubtful debts	(238)	204	-	-
Staff costs - Short term benefits	17,461	18,188	2,250	2,263
- EPF contributions	1,164	1,234	210	273
And crediting:				
Management fees from subsidiary companies	-	-	330	1,260
Gain on disposal of property, plant and equipment	27	25	26	-
Gain on disposal of land held for development	-	6	-	-
Gain on disposal of other investments	3	-	-	-
Gain on disposal of investment in associate	-	1,046	-	-
Interest income	482	658	4,448	3,783
Gain on foreign exchange	120	113	-	-

25. FINANCE COST

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Term loan interest	4,519	4,846	3,511	3,295
Overdraft interest	3,808	4,611	1,828	2,695
Revolving credit interest	1,137	595	850	291
Amortisation - Term Loan upfront fee	129	39	129	39
Hire purchase interest	22	19	7	3
	9,615	10,110	6,325	6,323

26. TAXATION

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Corporate taxation:				
Provision for the year	918	772	-	90
Under/(Over) provision in previous year	383	170	(90)	(180)
	1,301	942	(90)	(90)
Deferred taxation:				
Origination and reversal of temporary timing differences (Note 13)	(3)	31	-	-
Tax expense/(income)	1,298	973	(90)	(90)

Malaysian income tax is calculated at the Malaysian statutory income tax rate of 24% on the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

26. TAXATION ... cont'd.

A reconciliation of income tax expense/(income) applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense/(income) at the effective income tax rate of the Group and the Company are as follow:

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(Loss)/Profit before taxation	(22,959)	1,786	(9,732)	(5,579)
Malaysian statutory tax rate at 24% (2015: 25%)	(5,510)	447	(2,336)	(1,395)
Tax effect on different tax rate in another country	292	(55)	-	-
Tax effect on expenses that are not deductible for tax purposes	7,329	1,460	2,342	1,485
Income not subject to tax	(6)	(269)	(6)	-
Utilisation of previously unabsorbed capital allowances and unutilised business losses and investment tax allowances	(1,190)	(780)	-	-
Under/(Over) provision in previous year	383	170	(90)	(180)
Tax expense/(income)	1,298	973	(90)	(90)

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

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unabsorbed capital allowances	308	176	-	-
Unutilised business losses	33,522	29,829	7,764	6,400
Unutilised investment tax allowances	-	1,950	-	-
	33,830	31,955	7,764	6,400

The above unabsorbed capital allowances, unutilised business losses and investment tax allowances are available indefinitely for offset against future taxable profits, subject to the approval of the Inland Revenue Board. Deferred tax assets have not been recognised in respect of these items due to uncertainty of its recoverability.

27. BASIC (LOSSES)/EARNINGS PER SHARE

The basic (losses)/earnings per share has been calculated based on the loss attributable to equity holders of the parent of RM24.100 million (2015: Profit of RM0.601 million) divided by the weighted average number of 858.552 million (2015: 858.552 million) ordinary shares of RM0.20 each.

28. CASH PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the current financial year, the Group and the Company made the following cash payment to purchase property, plant and equipment:

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Purchase of property, plant and equipment	1,339	21,001	482	512
Less: Financed by hire purchase arrangements	(356)	(206)	(356)	-
	983	20,795	126	512

29. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed and call deposits	16,547	15,943	8,230	8,230
Cash and bank balances	4,508	5,266	2,437	269
Bank overdrafts	(40,256)	(52,809)	(13,257)	(27,062)
	(19,201)	(31,600)	(2,590)	(18,563)

Included in the Group's and in the Company's fixed and call deposits are Authorised Depository with the financial institution amounting to RM8.23 million (2015: RM8.23 million).

30. CONTINGENT LIABILITIES

As at 31 March 2016, the Group and the Company have contingent liabilities as follows:

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
a) Corporate guarantees given by the Company to banks and suppliers for credit facilities granted to the subsidiary companies	-	-	3,730	61,216
b) Corporate guarantees given by the subsidiary companies to banks	-	-	75,486	18,000
c) Secured bank guarantees issued to third parties in the ordinary course of business	8,431	7,780	180	80
	8,431	7,780	79,396	79,296

The corporate guarantee does not have a determinable effect on the terms of the banking facilities due to the bank requiring parent guarantee as a pre-condition for approving the banking facilities granted to the Group. The actual terms of the banking facilities are likely to be the best indicator of "at market" terms and hence the fair value of the banking facilities are equal to the banking facilities amount received by the Group. As such, there is no value on the corporate guarantees to be recognised in the financial statements.

31. SIGNIFICANT RELATED PARTY TRANSACTION

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities. The transactions with the directors have been entered into in the normal course of business and have been established under negotiated terms.

	GROUP	**2016 RM'000**	**2015 RM'000**
a)	**Services rendered to the companies controlled by certain directors**		
	Reliance College Sdn. Bhd. (Incorporated in Malaysia)	5	7
	Relvest Management Services Sdn. Bhd. (Incorporated in Malaysia)	14	60
	PYO Travel Pte Limited (Incorporated in Singapore)	12	-
	Vacation Asia Holdings Sdn. Bhd. (Incorporated in Malaysia)	2,078	2,848
b)	**Services rendered by the companies controlled by certain directors**		
	Relvest Management Services Sdn. Bhd. (Incorporated in Malaysia)	232	261
	Vacation Asia International Sdn. Bhd. (Incorporated in Malaysia)	642	548
	Vacation Asia Holdings Sdn. Bhd. (Incorporated in Malaysia)	19	197
c)	**Purchases from the company controlled by certain directors**		
	Reliance Shipping & Travel Agencies Sdn. Berhad (Incorporated in Malaysia)	20	68
	Reliance Sightseeing Sdn. Bhd. (Incorporated in Malaysia)	121	146
	Vacation Asia International Sdn. Bhd. (Incorporated in Malaysia)	31	26
	PYO Travel (MY) Sdn. Bhd. (Incorporated in Malaysia)	2,304	4,772
d)	**Sales to the company controlled by certain directors**		
	Reliance Shipping & Travel Agencies Sdn. Berhad (Incorporated in Malaysia)	1,531	2,518
	PYO Travel (MY) Sdn. Bhd. (Incorporated in Malaysia)	983	7,494
	Reliance Sightseeing Sdn. Bhd. (Incorporated in Malaysia)	51	53
	PYO Travel Pte Limited (Incorporated in Singapore)	1,300	-
	Vacation Asia International Sdn. Bhd. (Incorporated in Malaysia)	2,414	2,192
	Reliance College Sdn. Bhd. (Incorporated in Malaysia)	65	45

31. SIGNIFICANT RELATED PARTY TRANSACTION ... cont'd.

GROUP	2016 RM'000	2015 RM'000
e) Compensation of key management personnel		
Short term benefits	4,506	4.050
EPF contributions	349	378
	4,855	4,428

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

Included in the compensation of key management personnel is the directors' remuneration as disclosed in Note 24 to the financial statements.

Included also in the compensation of key management personnel is the Company's compensation of key management personnel amounting to RM1.891 million (2015: RM1.911 million).

32. OPERATING LEASES

Non-cancellable operating lease commitment – as lessee

GROUP	2016 RM'000	2015 RM'000
Future minimum lease payable:		
Not later than 1 year	4,208	3,750
Later than 1 year but not later than 5 years	4,604	8,812
	8,812	12,562

Operating lease payment represents fixed payment for the leaseback of one block of hotel suites for hotel management purposes for a period of 8 years.

33. SEGMENT INFORMATION

31 March 2016

	Hotel Management		Property	Tourism		Support Services and	
	Malaysia	Overseas	Development	Malaysia	Overseas	Group Management *	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	40,400	171	24,632	-	126,762	2,234	194,199
Result							
Segment result	2,586	(631)	(2,059)	(496)	(4,351)	(17,982)	(22,933)
Share of results of associates							(26)
Loss before taxation							(22,959)
Taxation							(1,298)
Net loss for the year							(24,257)

Segment Assets and Liabilities

	Hotel Management Malaysia RM'000	Hotel Management Overseas RM'000	Property Development RM'000	Tourism Malaysia RM'000	Tourism Overseas RM'000	Support Services and Group Management * RM'000	Consolidated RM'000
Assets							
Segment assets	181,996	473	219,621	7,307	20,557	69,745	499,699
Investment in associates							21
Deferred tax assets							172
Total Group's assets							499,892
Liabilities							
Segment liabilities	25,964	129	12,447	29	24,001	107,907	170,477
Provision for taxation							3
Deferred tax liabilities							4,195
Total Group's liabilities							174,675

* Included in the segment results of Support Services and Group Management is an impairment losses of goodwill amounting to RM12.321 million

33. SEGMENT INFORMATION ... cont'd.

31 March 2015

As Restated	**Hotel Management**		**Property**	**Tourism**		**Support Services and**	
	Malaysia	**Overseas**	**Development**	**Malaysia**	**Overseas**	**Group Management**	**Consolidated**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	44,680	168	17,551	-	122,313	4,029	188,741
Result							
Segment result	8,560	59	355	(171)	(1,593)	(5,434)	1,776
Share of results of associates							10
Profit before taxation							1,786
Taxation							(973)
Net profit for the year							813

Segment Assets and Liabilities

Assets							
Segment assets	183,886	451	224,568	5,949	29,364	79,311	523,529
Investment in associates							47
Deferred tax assets							162
Total Group's assets							523,738
Liabilities							
Segment liabilities	28,066	370	26,621	24	25,805	84,984	165,870
Provision for taxation							176
Deferred tax liabilities							4,194
Total Group's liabilities							170,240

34. FINANCIAL INSTRUMENTS

34.1 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains or losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

GROUP 2016	Loans and Receivables	Available-for-sale	Financial Liabilities at Amortised Cost	Total
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Other investments	-	396	-	396
Trade and other receivables	58,270	-	-	58,270
Fixed and call deposits	16,547	-	-	16,547
Cash and bank balances	4,508	-	-	4,508
	79,325	396	-	79,721
Financial Liabilities				
Trade and other payables	-	-	27,632	27,632
Term loans	-	-	88,585	88,585
Bank overdraft	-	-	40,256	40,256
Revolving credit	-	-	13,500	13,500
Hire purchase payables	-	-	504	504
	-	-	170,477	170,477
2015				
Financial Assets				
Other investments	-	439	-	439
Trade and other receivables	67,162	-	-	67,162
Fixed and call deposits	15,943	-	-	15,943
Cash and bank balances	5,266	-	-	5,266
	88,371	439	-	88,810
Financial Liabilities				
Trade and other payables	-	-	23,060	23,060
Term loans	-	-	76,082	76,082
Bank overdraft	-	-	52,809	52,809
Revolving credit	-	-	13,500	13,500
Hire purchase payables	-	-	419	419
	-	-	165,870	165,870

34. FINANCIAL INSTRUMENTS ... cont'd.

34.2 Financial risk management objective and policies

The Group is mainly exposed to credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk). The Group has formal risk management policies and guidelines, as approved by the Board of Directors, which set out its overall business strategies, its tolerance for risks and its general risk management philosophy. Such policies are monitored and undertaken by the management.

34.2.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits placed with licensed banks.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk other than disclosed in the notes.

The Group does not hold any collateral and thus, the credit exposure is continuously monitored by the directors.

The average credit periods granted to the trade receivables is ranging from 30 to 90 days.

34. FINANCIAL INSTRUMENTS ... cont'd.

34.2.2 Liquidity risk

The Group's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

GROUP	Weighted Average Effective Interest Rate	Less than 1 Year	More than 1 year	Total
2016	**%**	**RM'000**	**RM'000**	**RM'000**
Trade payables	-	16,691	-	16,691
Term loan	6.15 to 8.50	12,181	76,404	88,585
Bank overdraft	8.35 to 8.85	40,256	-	40,256
Revolving credit	5.90 to 8.85	13,500	-	13,500
Hire purchase payables	2.48 to 3.00	144	360	504
		82,772	76,764	159,536
2015				
Trade payables	-	19,331	-	19,331
Term loan	4.72 to 8.10	27,258	48,824	76,082
Bank overdraft	5.75 to 8.60	52,809	-	52,809
Revolving credit	4.72 to 8.10	13,500	-	13,500
Hire purchase payables	2.35 to 5.50	120	299	419
		113,018	49,123	162,141

34. FINANCIAL INSTRUMENTS ... cont'd.

34.2.3 Market risk

Foreign currency risk

The Group incurs foreign currency risk on the subsidiary companies that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the Singapore Dollar (SGD), Hong Kong Dollar (HKD) and Australia Dollar (AUD). The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Financial Assets

2016	**SGD**	**HKD**	**AUD**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade and other receivables	2,416	5,962	2,791	11,169
Fixed and call deposits	-	7,811	-	7,811
Cash and bank balances	156	582	78	816
	2,572	14,355	2,869	19,796
2015				
Trade and other receivables	8,875	8,544	2,622	20,041
Fixed and call deposits	-	7,361	-	7,361
Cash and bank balances	202	1,136	119	1,457
	9,077	17,041	2,741	28,859

Financial Liabilities

2016	**SGD**	**HKD**	**AUD**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade and other payables	3,996	6,061	1,458	11,515
Bank overdraft	3,954	8,469	-	12,423
	7,950	14,530	1,458	23,938
2015				
Trade and other payables	5,536	6,913	1,287	13,736
Bank overdraft	3,827	8,242	-	12,069
	9,363	15,155	1,287	25,805

34. FINANCIAL INSTRUMENTS ... cont'd.

34.2.3 Market risk ... cont'd.

Foreign currency risk sensitivity

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period would increase/(decrease) other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain unchanged.

	SGD	HKD	AUD	Total
2016	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Other comprehensive income	538	18	(141)	414
2015				
Other comprehensive income	29	(189)	(145)	(305)

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

34. FINANCIAL INSTRUMENTS ... cont'd.

34.2.3 Market risk ... cont'd.

Interest rate risk
The Group obtains financing through leasing arrangement, bank borrowings and other financial liabilities. The Group's policy is to obtain the borrowings with the most favourable interest rates in the market.

The Group constantly monitors its interest rate risk and does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk are as follows:

Financial Assets	Weighted Average Effective Interest Rate %	2016 Fixed Rate RM'000	2016 Floating Rate RM'000	2015 Fixed Rate RM'000	2015 Floating Rate RM'000
Fixed and call deposits	0.30 to 3.00	16,547	-	15,943	-

Financial Liabilities	Weighted Average Effective Interest Rate %	2016 Fixed Rate RM'000	2016 Floating Rate RM'000	2015 Fixed Rate RM'000	2015 Floating Rate RM'000
Term loans	6.15 to 8.50	-	88,585	-	76,082
Bank overdraft	8.35 to 8.85	-	40,256	-	52,809
Revolving credit	5.90 to 8.85	-	13,500	-	13,500
Hire purchase payables	2.48 to 3.00	504	-	419	-
		504	142,341	419	142,391

Financial instruments subject to floating interest rates are repriced regularly. Financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the abovementioned table are not subject to interest rate risks.

34. FINANCIAL INSTRUMENTS ... cont'd.

34.2.3 Market risk ... cont'd.

Interest rate risk sensitivity

An increase in market interest rates by 1% on financial liabilities of the Group which have variable interest rates at the end of the reporting period would increase the loss before tax approximately by RM1.423 million (2015: decrease the profit before tax approximately by RM1.424 million). This analysis assumes that all other variables remain unchanged. A decrease in market interest rates by 1% on financial liabilities of the Group which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

34.3 Fair values of financial assets and financial liabilities

The fair values of all financial assets and liabilities of the Group as at 31 March 2016 are not materially different from their carrying amounts.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Fair value of financial instruments carried at fair value

2016	**Level 1**	**Level 2**	**Level 3**	**Total**	**Carrying Amount**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group					
Financial Assets					
Investment properties	-	-	3,779	3,779	3,779
Other investments	336	-	60	396	396
	336	-	3,839	4,175	4,175
2015					
Group					
Financial Assets					
Investment properties	-	-	3,818	3,818	3,818
Other investments	317	-	122	439	439
	317	-	3,940	4,257	4,257

34. FINANCIAL INSTRUMENTS ... cont'd.

34.3 Fair values of financial assets and financial liabilities ... cont'd.

Policy on transfer between levels
The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused that transfer.

Level 1 fair value
Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value
Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values
There has been no transfer between Level 1 and 2 fair values during the financial year.

Level 3 fair value
Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

35. CAPITAL RISK MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and the Company may return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group and the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statements of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statements of financial position plus net debt.

	GROUP		**COMPANY**	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank overdrafts	40,256	52,809	13,257	27,062
Revolving credit	13,500	13,500	10,000	10,000
Hire purchase and finance lease payables	504	419	299	2
Term loans	88,585	76,082	81,486	48,744
	142,845	142,810	105,042	85,808
Less: Cash and cash equivalents (excluding bank overdraft)	(21,055)	(21,209)	(10,667)	(8,499)
Net debt	121,790	121,601	94,375	77,309
Total equity	319,026	347,150	186,540	196,182
Total capital	440,816	468,751	280,915	273,491
Gearing ratio (%)	28	26	34	28

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

36. ASSET HELD FOR SALE

On 20 June 2014, the Group had entered into the share sale agreement to dispose off its 39.99% stake in Menara Ampang Sdn. Bhd. The share sale agreement was signed between Culmen Sdn. Bhd., a wholly-owned subsidiary of the Company and Ibu Kota Developments Sdn. Bhd. for a total consideration of RM41.515 million.

On 05 August 2015, both parties have mutually agreed to extend the completion date of the share sale agreement to 30 June 2017.

37. PRIOR YEAR ADJUSTMENT

The adjustment to deferred tax liability arose from the revaluation of properties which should have reflected the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover the carrying amount through sale.

38. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on 15 July 2016.

39. SUPPLEMENTARY INFORMATION – BREAKDOWN OF ACCUMULATED PROFITS INTO REALISED AND UNREALISED

The breakdown of the accumulated profit of the Group as at 31 March 2016 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guideline on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2016	**2015**
	RM'000	**RM'000**
Total accumulated profits of the Company and its subsidiary companies		
- Realised	58,891	82,974
- Unrealised	(4,023)	(4,032)
	54,868	78,942
Total share of accumulated losses from associate companies		
- Realised	(300)	(274)
- Unrealised	-	-
	(300)	(274)
Total accumulated profits as per financial statements	54,568	78,668

LIST OF TOP 10 PROPERTIES
BY VALUE AS AT 31 MARCH 2016

No	Location	Description/ Existing Use	Tenure	Age of Building	Land Area (sq.ft)	Net Book Value (RM'000)	Revaluation Date/ Date of Acquisition
	Admiral Cove, Port Dickson						
1	H.S.(D) 13641, 13643 and 19662, 5th Mile, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Admiral Cove Premier Integrated Marina Resort	Leasehold (99 years expiry - 2094)	17 years	1,076,064	71,536	02.12.1993
2	H.S.(D) 18699 PT 3413, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Land for development	Leasehold (99 years expiry-2096)	-	1,077,272	9,583	18.05.2004
3	H.S.(D) 18698 PT 3412, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Land for development	Leasehold (99 years expiry - 2096)	-	226,442	4,452	18.05.2004
4	H.S.(D) 24667 PT 215, 5th Mile, Mukim Pekan, Teluk Kemang, Daerah Port Dickson, Negeri Sembilan.	Land for development	Leasehold (99 years expiry - 2102)	-	475,349	7,967	06.06.2002
	Avillion Hotel, Port Dickson						
1	C.T. 5972, Lot 1273, 3rd Mile, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Consists of hotel, water villas, water chalets, meeting rooms, spa, F&B outlets and other facilities	Freehold	18 years	15,507	153,502	04.01.2008 (Date of Revaluation)
2	H.S.(D) 12303, 15353 and 18191, 3rd Mile, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.		Leasehold (99 years expiry - 2095)	17 years	480,505		
3	C.T. 2977, Lot 312, 3rd Mile, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Car Parks	Freehold	-	124,431		
	Port Dickson						
1	Lot 307, Geran 52795 Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Land for development	Freehold	-	145,657	10,552	02.07.2013
2	Lot 43 & 44, Geran 76526 & 64282 Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Land for development	Freehold	-	41,247	2,311	23.04.2008
3	Lot 5823, Geran 239972 Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Land for development (currently used as event venue)	Freehold	-	40,300	2,314	24.08.2007
	Kuala Lumpur						
1a	Geran Mukim 815, No. Lot 2694, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	68,033	21,002	31.01.2011
1b	Geran Mukim 816, No. Lot 2695, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	61,241		
1c	Geran Mukim 814, No. Lot 2696, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	66,731		
1d	Geran Mukim 817, No. Lot 2697, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	65,331		
1e	Geran Mukim 818, No. Lot 2698, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	63,943		
	Langkawi						
1	H.S.(D) 1/96, P.T. No 703, Mukim Kedawang, District of Langkawi, Kedah.	Land for development	Freehold	-	531,432	21,372	27.10.2010

ANALYSIS OF SHAREHOLDINGS
AS AT 20 JULY 2016

Authorised Share Capital	:	RM500,000,000
Issued & Paid-up Capital	:	RM171,710,350
Class of Shares	:	Ordinary Shares of RM0.20 each
Voting Rights		
On show of hands	:	1 vote
On a poll	:	1 vote for each share held

DISTRIBUTION OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Capital
Less than 100	447	11,777	0.00
100 to 1,000	372	120,881	0.01
1,001 to 10,000	769	4,460,532	0.52
10,001 to 100,000	816	22,965,935	2.68
100,001 to less than 5% of issued shares	106	381,238,372	44.40
5% and above of issued shares	2	449,754,253	52.39
	2,512	858,551,750	100.00

REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Number of Shares Direct	Percentage of Issued Capital	Number of Shares Indirect		Percentage of Issued Capital
1.	Ibu Kota Developments Sdn Bhd	265,797,590	30.96	-		-
2.	Daza Holdings Sdn Bhd	-	-	265,797,590	(Note (a))	30.96
3.	YAB Toh Puan Mahani Binti Idris	-	-	265,797,590	(Note (b))	30.96
4.	Datuk Md Wira Dani Bin Abdul Daim	-	-	265,797,590	(Note (c))	30.96
5.	Mazmur Capital Sdn Bhd	-	-	248,178,113	(Note (d))	28.91
6.	See Ah Sing	-	-	248,178,113	(Note (e))	28.91

DIRECTORS' SHAREHOLDINGS

		Number of Shares Direct	Percentage of Issued Capital	Number of Shares Indirect		Percentage of Issued Capital
1.	See Ah Sing	-	-	248,178,113	(Note (e))	28.91
2.	Datin Irene Tan	-	-	14,689,650	(Note (f))	1.71
3.	Tan Sin Chong	29,000	0.00	3,296,100	(Note (g))	0.38

Notes :-

(a) Deemed interest by virtue of direct interest in Ibu Kota Developments Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(b) Deemed interest by virtue of her interest in Daza Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(c) Deemed interest by virtue of his interest in Daza Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(d) Deemed interest held through nominees.
(e) Deemed interest by virtue of his interest in Mazmur Capital Sdn Bhd pursuant to Section 6A of the Companies Act, 1965
(f) Deemed interest by virtue of Section 122(A) of the Companies' Act 1965 held through spouse and by virtue of Section 6A of the Companies' Act 1965 held through Reliance Holdings Sdn Bhd's nominees.
(g) Deemed interest held through nominees.

THIRTY LARGEST SHAREHOLDERS

		No. of Shares	Percentage of Issued Capital
1.	Ibu Kota Developments Sdn Bhd	227,276,140	26.47
2.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Mazmur Capital Sdn Bhd	222,478,113	25.91
3.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Bank Julius Baer & Co. Ltd	42,809,520	4.99
4.	Yayasan Pok Rafeah, Berdaftar	41,649,900	4.85
5.	Ibu Kota Developments Sdn Bhd	38,521,450	4.49
6.	Prestige Avenue (M) Sdn Bhd	35,371,670	4.12
7.	Dream Cruiser Sdn Bhd	33,850,500	3.94
8.	HSBC Nominees (Asing) Sdn Bhd -BBH and Co Boston for EFG Private Bank (Channel Islands) Limited	28,257,187	3.29
9.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Mazmur Capital Sdn Bhd	25,700,000	2.99
10.	Gigantic Promotions Sdn Bhd	23,707,125	2.76
11.	Landbelt Corporation Sdn Bhd	13,110,400	1.53
12.	M-Ocean Holdings Sdn Bhd	9,795,815	1.14
13.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged securities account - Ambank (M) Berhad for Chong Yen Yin	8,898,000	1.04
14.	RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chan Chong Cheat @ Chan Chong Kiat	6,858,500	0.80
15.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged securities account - Ambank (M) Berhad for Reliance Holdings Sdn Bhd	5,000,000	0.58
16.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Reliance Holdings Sdn Bhd	5,000,000	0.58
17.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged securities account for Kan Chee Fai	4,562,300	0.53
18.	Ambank (M) Berhad - Pledged securities account for Dato' Gan Eng Kwong	4,281,900	0.50
19.	Ambank (M) Berhad - Pledged securities account for Chong Swee Choon	4,267,250	0.50
20.	Ambank (M) Berhad - Pledged securities account for Thong Swee Cheong	4,251,750	0.50
21.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged securities account – Ambank (M) Berhad for Chan Chong Cheat @ Chan Chong Kiat	3,992,075	0.46
22.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged securities account - Ambank (M) Berhad for Yong Yoke Leng	3,359,500	0.39
23.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tan Sin Chong	3,296,100	0.38
24.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chan Choy Har	2,670,700	0.31
25.	RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chan Chong Cheat @ Chan Chong Kiat	2,253,780	0.26
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chong Swee Choon	2,196,200	0.26
27.	RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Yong Yoke Leng	1,872,100	0.22
28.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged securities for Chong Yen Yin	1,705,000	0.20
29.	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged securities account for Yong Yoke Leng	1,675,000	0.20
30.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chong Yen Yin	1,402,600	0.16
		810,070,575	94.35