



2017  
ANNUAL  
REPORT

**A LEAP AHEAD**

---

RELIANCE PACIFIC BERHAD

---

## VISION

To aspire for excellence, the highest quality and standards in the delivery of our products and services to every customer and become an employer of choice

## MISSION

To drive profitability and achieve a healthy balance sheet thereby enhancing shareholders value

Foster best corporate governance, corporate social responsibility, human resources and employment practices

Inculcate a culture of best practices and standards in customer service and care amongst staff and enhancing value for money for all customers

---

## CONTENTS

Corporate Information	02
Chairman's Statement	04
Management Discussion	05-06
Profile of Directors	07-09
Profile of Senior Management	10-12
Statement on Corporate Governance	13-20
Audit Committee Report	21-22
Statement on Risks Management and Internal Control	23-25
Corporate Social Responsibility	26-27
Additional Compliance Information	28
Financial Statements	29
Notice of Annual General Meeting	104-106
List of Properties	107-108
Analysis of Shareholdings	109-111
Proxy Form	

# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

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

**See Ah Sing** (Managing Director)

**Yulina Binti Baharuddin** (Non-Independent Executive Director)

**Onn Kien Hoe** (Independent Non-Executive Director)

**Dato' Faisal Zelman Bin Datuk Abdul Malik** (Independent Non-Executive Director)

## **AUDIT COMMITTEE**

**Onn Kien Hoe**  
(Chairman, Independent Non-Executive Director)

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

**Dato' Faisal Zelman Bin Datuk Abdul Malik**  
(Member, Independent Non-Executive Director)

## **NOMINATION COMMITTEE**

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

**Onn Kien Hoe**  
(Member, Independent Non-Executive Director)

**Dato' Faisal Zelman Bin Datuk Abdul Malik**  
(Member, Independent Non-Executive Director)

## **REMUNERATION COMMITTEE**

**Onn Kien Hoe**  
(Chairman, Independent Non-Executive Director)

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

**Dato' Faisal Zelman Bin Datuk Abdul Malik**  
(Member, Independent Non-Executive Director)

## **COMPANY SECRETARY**

**Lee Yoong Shyuan**  
(MAICSA No. 7064817)

## **REGISTERED OFFICE**

Unit 8E, Level 8  
Wisma YPR  
No. 1, Lorong Kapar  
Off Jalan Syed Putra  
58000 Kuala Lumpur  
**Tel:** 03-2262 0100  
**Fax:** 03-2262 0293

## **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:** 03-7849 0777  
**Fax:** 03-7841 8151/52

## **PRINCIPAL BANKERS**

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

# AVILLION PORT DICKSON AWARDS COMPILATION



## 2017

- 1 International Hotel Awards 2017-18**  
Best Large Hotel  
Best Resort Hotel  
Best Spa Hotel  
Best Wedding Venue
- 2 World Luxury Restaurant Awards 2017**  
Regional Winner:  
Luxury Family Restaurant

## 2016

- 1 World Luxury Hotel Award 2016**  
Winner – Luxury Spa Hotel,  
Malaysia Category

## 2015

- 1 19th Malaysia Tourism Award 2014/15**  
Best Spa Category (Finalist)

## 2012

- 1. World Luxury Hotel Awards 2012**  
Country Luxury Boutique Hotel
- 2. Best of Malaysia Awards 2012**  
Best Family Stay, Excellence Awards

## 2011

- 1. World Luxury Hotel Awards 2011**  
Country Luxury Boutique Hotel

## 2010

- 1. World Luxury Hotel Awards 2010**  
Luxury Boutique Hotel
- 2. HotelClub Awards 2010**  
Outstanding Beach Resort

## 2000

- 1. Pertubuhan Akitek Malaysia (PAM) 2000**  
Hotel & Resort Buildings:  
Excellence Award in Architecture

# AVI SPA AWARDS COMPILATION

## 2016

- 1. Luxury Lifestyle Awards**  
Winner – Luxury Spa & Wellness  
Centre of Malaysia 2016
- 2. World Luxury Spa Awards**  
Best Luxury Resort Spa(Finalist)

- 3. Hospitality Asia Platinum Awards Malaysia (HAPA), Malaysia Series 2016-2018**  
Winner, HAPA Indulging Spa of the Year - Tempting Experience

## 2015

- 1 World Luxury Spa Awards**  
Winner - Best Luxury Resort Spa
- 2 Luxury Lifestyle Awards**  
Winner – Luxury Spa & Wellness  
Centre of Malaysia 2015

## 2014

- 1 World Luxury Spa Awards 2014**  
Winner, Best Luxury Resort Spa  
Finalist, Best Luxury Destination Spa

## 2013

- 4. Hospitality Asia Platinum Awards Malaysia (HAPA), Malaysia Series 2013-2015**  
Winner, HAPA Indulging Spa of the Year - Tempting Experience
- 5. World Luxury Spa Awards 2013**  
Finalist, Best Luxury Resort Spa

## 2012

- 1. World Luxury Spa Awards 2012**  
Best Luxury Emerging Spa
- 2. Asia Pacific Property Awards 2012**  
Leisure Architecture for Malaysia

## 2010

- 1. Hospitality Asia Platinum Awards Malaysia (HAPA), Series 2010-2012**  
HAPA Best Experience

## 2009

- 1. Malaysia Spa & Wellness Awards (MSWA) 2009**  
Best New Spa  
Best Traditional Treatment, Malay Strength
- 2. Harper's Bazaar Spa Awards 2009**  
Most Unique Spa Destination
- 3. The Malaysian Women's Weekly 2009**  
Best Spa with a View: Best In Beauty - Quality, Results & Services
- 4. Asia Pacific Interior Design Awards (APIDA) 2009**  
Silver Award Recipient



# CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Reliance Pacific Berhad (RPB) and its group of companies (Group), for the Financial Year (FY) ended 31 March 2017.

## INTRODUCTION

In the period under review, global economy continued to expand at a moderate pace. This is rather remarkable given the political and economic policy uncertainties following the US presidential elections and the Brexit vote. Financial markets continued to be volatile. The Malaysian economy in the same period grew from 4.5% in 4Q of 2016 to 5.6% in Q1 of 2017. Growth was fueled by stronger domestic demand, particularly private consumption. The Services Sector grew by 5.8% in Q1, 2017 and the Group is hopeful that this growth will be sustained as it will translate into greater demand for the Group's hospitality services. Similarly, it is hope public consumption which was flat in Q1, 2017 will pick up significantly thereby increasing demand for MICE facilities and related amenities.

## A LEAP AHEAD

The Group underwent an eventful FY ended 31 March 2017. The watershed was the second half of the FY which saw major changes in the major shareholders and Management of the Group. This changing of the guard also resulted in a change in the fortune of the Group beginning Q3, FY 2016/2017.

To herald this new dawn for the Group, we have adopted the tagline "A Leap Ahead" as reflected in the cover of this Annual Report. To further reinforce this zeal and determination, shareholders will notice that the Group is also seeking shareholders' approval to change the current name of RPB as well as a new logo for the company. As a teaser, the cover of this Annual Report provided a glimpse of the proposed logo of the Group.

Much thought and research has been undertaken for this exercise and I would like to reassure shareholders that this change is not just cosmetics but it is a new dawn and encompasses the determination and commitment of the Board of Directors and Management as we embark on our quest for greater glory. The proposed name change and new logo embodies this new spirit; seeking new opportunities, growth and exciting ventures ahead.

The accompanying Management Discussion and Analysis will expand further what I mentioned above about a watershed why the Board of Directors strongly believe we are at the threshold of better years ahead after two consecutive years of losses. I would like to assure our shareholders that the Board of Directors will continue to provide guidance and oversight to the Management to ensure that all parties work diligently, selflessly and in unity to bring about a new era for the Group. Hence our next step will be not be an ordinary step but A Leap Ahead.

## APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to my fellow directors, the Management and staff for their dedication and commitment to the company. I would also like to extend our appreciation and thank to our shareholders and customers for your continued and unwavering support and confidence in the Board.

Thank you

**Tan Sri Dato' Sri Dr. Samsudin Bin Hitam**

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Overview

The Group's principal business remained unchanged for the period under review. Our principal business activities are reflected in the three core business divisions, namely Hotel, Property and Tourism. Being heavily skewed in the services and hospitality industry, the Group continued to face a challenging operating environment as demand is very much dependent of the state of the economy, public and corporate sector spending and the disposal income of households.

## Review of Financial Performance

For the Financial Year ended 31 March 2017, the Group recorded a turnover of RM154 million, a decline of 20.6% against the preceding Financial Year. However, Net loss for the Financial Year ended 31 March 2017 was lower by 13.8% when compared to the preceding Financial Year.

The performance of the Group has improved despite a higher provision for impairment and write-offs of RM15.959 million against the preceding Financial Year of RM12.321 million. As such, the performance of the Group before Interest, Tax, Depreciation and Amortization showed a lower loss of RM8.889million compared to a loss of RM9.934 million in preceding Financial Year. Year-on-year, Loss before Interest, Tax, Depreciation and Amortization had declined by 10.5% for Financial Year ended 31 March 2017 compare to preceding Financial Year.

Despite the losses experienced by the Group, as the Chairman mentioned in his statement, we are at the threshold of a new dawn and a watershed beginning from the second half of Financial Year 2016/2017.

Management is please to report that after three consecutive quarters of Losses before Interest, Tax, Depreciation and Amortization since Q4, Financial Year 2015/2016, the Group has recorded two consecutive quarters of Profit before Interest, Tax, Depreciation and Amortization from the second half of Financial Year 2016/2017. However, despite this, the Group suffered losses due to cumulative losses incurred in the first half of Financial Year 2016/2017. The improvement in the last two quarters of Financial Year 2016/17 is a direct result of a change in the control of the Group and a new management at the helm.

## Sectoral Business Review

After three quarters of consecutive losses, the Hotel Division began a turnaround beginning from third quarter Financial Year 2016/2017. A recalibration and revamp of existing sales and marketing strategies and plans by the new management paid off as sales, occupancy and revenue continue to see an uptrend. Profit before tax in the last two quarters of Financial Year 2016/2017 has improved by 143.9% against the last two quarter in Financial Year 2015/2016.

The main activities of the Property Division were focused on the preparation of the groundwork to launch Phase 2 of Desa Impian. Its launch has been delayed as the division endeavored to resolve residual issues regarding the subdivision of the land involved. Work has also begun to launch Phase 4, 5 and 6 as a single phase for a proposed development under the Housing for Civil Servants Scheme (PPA1M). The division registered a small profit from the sale of existing stock and non core assets.

The Tourism Division remained the weakest link in the Group as a result of weak demand from source countries, travel restrictions imposed by China into Hong Kong, poor yields, legacy issues and high operating costs in both Hong Kong and Singapore. As a result, turnover in this division fell 22% against Financial Year 2015/2016 and losses widened to RM11 million of which RM7.7 million is a result of impairment on receivables. Both Hong Kong and Singapore has undergone a re-structuring and cost rationalization exercise and will also seek new markets as well as strengthen their outbound sectors. Actions have also being put into place to enhance the linkages and synergies between the Tourism and Hotel Divisions to generate higher revenue.

## Management Discussion and Analysis (Cont'd)

### PROSPECTS

#### A Leap Ahead

As mentioned in the Chairman's Statement above, Management is confident the worst is behind us and the Group is poised for A Leap Ahead into the future. The Group has emerged leaner, cleaner and generally freed of encumbrances that may ensnarl the Group and causes a drag in the forward momentum. The name change and new logo is but just the culmination of all the internal and external transformation, soul-searching and rejuvenation process since the last Annual General Meeting. During this period, the Group underwent a metamorphosis resulting in a new vitality, vibrancy, exploiting internal synergies and a readiness to embark on new ventures and opportunities.

#### Hotel Division

Riding on the momentum and recovery of the Hotel Division over the last two quarters, the division is expected to deliver its result in Financial Year 2017/2018 as envisaged. Intensified efforts to innovate, improve our sales and marketing strategies are showing the desired results. In addition, attention was given to yield, productivity and excellence in its services. The opening of Avillion Cameron Highlands will contribute positively in the remaining quarters of Financial Year 2017/2018.

The Group will continue to pursue new management contracts by leveraging on its internationally recognized hotel brand. The Group has been approached by several new hotel and existing hotel owners and developers to offer management services for their hotels. It is anticipated that the division will be able to add a few new management contracts in the current Financial Year and hence maintaining its role as the flagship of the Group. In the near future, the Group will also explore the franchising of the Avillion brand in the Asia Pacific region. We shall also seriously look into acquiring new properties to add to the current hotels owned by the Group when the right opportunity avails itself.

#### Property Division

The division is eagerly awaiting the launch of Phase 2; Desa Impian once the issues related to subdivision of the land is resolved with the State and Local Authorities. This will further enhance revenue and cash flows to the Group. The division is also hopeful to launch the proposed PPA1M scheme at Desa Impian in the second half of Financial Year 2017/2018. The positive impact from this will only be fully realized in the next Financial Year. We will continue to pursue with potential partners to jointly develop our existing land bank in Port Dickson, Kuala Lumpur and Langkawi. Initial negotiations have begun and we are hopeful we would be able to finalize and conclude at least a new development in the current Financial Year.

#### Tourism Division

Management is cautiously confident the cost rationalization, restructuring of business and market focus for this division will begin to show some positive result on Financial Year 2017/2018. Devoid of legacy issues, both Hong Kong and Singapore will now be able to focus on developing new markets, improve yield as well as strengthening the outbound sector. The division will intensify actions and strengthen internal coordination to enhance the linkages and synergies between the Tourism and Hotel Divisions to generate higher revenue. This closer collaboration will be mutually beneficial to both divisions and ultimately to the Group.

### RISKS

There are no material risks facing the Group other than normal business and operational risks as in any other company in the same industry. The Management will ensure all such risks are carefully managed and mitigated to prevent any unforeseen circumstances that may severely impact the performance of the Group.

### CONCLUDING REMARKS

The Management is cautiously optimistic and excited about the change of fortune for the Group after two consecutive years of losses. Management would like to assure our shareholders that the Management will work closely under the guidance and oversight of the Board of Directors to ensure that all parties work diligently, selflessly and in unity to bring about a new era for the Group. Hence our next step will not be just an ordinary step but A Leap Ahead.

## BOARD OF DIRECTORS



1. TAN SRI DATO' SRI DR. SAMSUDIN BIN HITAM
2. SEE AH SING
3. YULINA BINTI BAHARUDDIN
4. ONN KIEN HOE
5. DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK

## SENIOR MANAGEMENT



- |                             |                  |                      |
|-----------------------------|------------------|----------------------|
| 1. SEE AH SING              | 6. MICHAEL CHIEW | 11. NG KIM ENG       |
| 2. YULINA BINTI BAHARUDDIN  | 7. SANDY CHAN    | 12. KENNY CHIN       |
| 3. AMIRUL AZHAR BIN BAHAROM | 8. RAYMOND TSANG | 13. VICTOR FOO       |
| 4. ANGELINE CHONG           | 9. LOW KEE NAM   | 14. CHONG SWEE CHOON |
| 5. HELEN TAN                | 10. ROBERT LEE   | 15. JANIES LEE       |

## Profile of Directors (Cont'd)

### **TAN SRI DATO' SRI DR. SAMSUDIN BIN HITAM** **Chairman and Independent Non-Executive Director**

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam, a Malaysian aged 70, was appointed to the RPB Board on 6 March 2015. He is also Chairman of the Nomination Committee and member of the Audit and Remuneration Committees.

Tan Sri graduated with BA (Hons) from the University of Malaya and obtained a MSc in Agricultural Economics from the University of Wisconsin, USA. He later pursued his PhD in Land Resources with the University of Wisconsin, USA.

Tan Sri has served in the Ministry of Finance (1970 - 1982) and the Economic Planning Unit (1986 – 2000). While with the Economic Planning Unit, he was promoted to Director General of EPU. In 2000, he was appointed as Secretary General of the Ministry of Finance. He retired from the Public Service in 2004.

During his tenure with the Government, Tan Sri was also a director of various corporations, including Petroliaam Nasional Berhad, Khazanah Nasional Berhad, HICOM Holdings Berhad, Malaysia Airlines Berhad, and Pos Malaysia & Services Holdings Berhad.

Tan Sri is currently the Chief Executive Officer of Maju Expressway Sdn. Bhd. and Chairman of Rosegate Insurance Brokers Sdn. Bhd.

### **SEE AH SING** **Managing Director**

Mr. See Ah Sing, a Malaysian aged 58, was appointed to the Board on 28 November 2014 as an Independent Non-Executive Director. He was subsequently appointed as an Executive Director on 22 April 2015 and re-designated as Group Managing Director on 10 October 2016.

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

Mr. See 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.

He has indirect shareholdings of 248,178,113 ordinary shares in the Company.

### **YULINA BINTI BAHARUDDIN** **Non-Independent Executive Director**

Puan Yulina Binti Baharuddin, a Malaysian aged 51, was appointed to the Board on 4 November 2016.

She graduated with a BSc in Finance from California State University, Sacramento USA in 1987. She has been involved in property investments and short stints in retailing followed. She spent 6 years living abroad until 2011 and her involvement in the family business grew.

Puan Yulina started a career in stockbroking with various securities companies such as Arab Malaysian Securities and Rashid Hussain Securities immediately after graduation. She became an Executive Director in Seremban Securities Sdn Bhd and Malpac Berhad. She retired from the field in 1997. Since then, she manages property, retail and other investment pursuits.

Puan Yulina is a Director in Ibu Kota Developments Sdn Bhd, the substantial shareholder of the Company.

### **ONN KIEN HOE** **Independent Non-Executive Director**

Mr. Onn Kien Hoe, a Malaysian aged 52, was appointed to the Board on 1 June 2016.

He is a fellow member of the 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 the 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.

Mr. Onn currently sits as an Independent Non-Executive Director of MAA Group Berhad, Zurich Takaful Malaysia Berhad, MAA International Group Ltd and Nova MSC Berhad.

### **DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK** **Independent Non-Executive Director**

Dato' Faisal Zelman Bin Datuk Abdul Malik, a Malaysian aged 44, was appointed to the Board on 10 October 2016. Dato' obtained a Degree in Automotive Engineering from University of Loughborough, UK.

Dato' Faisal started his career as a Marketing Executive with RMT Metals Sdn Bhd, a company in the global metal trading industry from 1993 until 2010. From 1995 till now, Dato is the Team Principal and Chairman for Fugazi racing team also known as Kelab Sukan Bermotor, a club recognised for grassroot events and racing. Dato is also Director of Urban Glory Travel and Tours Sdn Bhd, a fully licensed tour company.

#### **Notes :**

- *None of the Directors have any conflict of interest with the Company.*
- *All the directors have no family relationship with any other director or major shareholder of the Company with the exception of the following Directors:-*
  - i) Mr See Ah Sing, who is a Director in Makmur Capital Sdn Bhd, a substantial shareholder of the Company.*
  - ii) Puan Yulina, who is a Director in Ibu Kota Developments Sdn Bhd, a substantial shareholder of the Company.*
- *None of the Directors have been convicted for any offences within the past five (5) years and have not been imposed by any public sanction or penalty by the relevant regulatory bodies during the financial year.*

# Profile of Senior Management

## **AMIRUL AZHAR BIN BAHAROM (Deputy Chief Executive)**

Amirul Azhar, a Malaysian aged 44, he was appointed to the RPB Board on 16 December 2015 and was subsequently resigned on 10 October 2016 and re-designated as Deputy Chief Executive on 10 October 2016.

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 Rohas Tecnic Group Berhad and Spring Gallery Berhad.

## **ANGELINE CHONG (Chief Financial Officer)**

Angeline, a Malaysian aged 54, joined the RPB Group in 1997 and she currently holds the position of Chief Financial Officer of RPB responsible for RPB Group's financial and corporate matters.

She is a Fellow Member of the Association of Chartered Certified Accountants (FCCA) and member of the Malaysian Institute of Accountants (MIA).

She has more than 30 years experience in financial management, corporate finance, audit, strategic planning and management. In the course of her professional career, Angeline possesses hands-on experience in the financial management of the hotel, property and tourism industry.

## **HELEN TAN (Director of Marketing and Business Development)**

Helen, a Malaysian aged 58, joined the Company as Director of Sales & Marketing in 2007.

She holds a Bachelor of Science (Hons) in Economics from University College, Cardiff and has more than 35 years experience in the hospitality Industry.

She is primary accountable for maximising revenues by developing promotions and programs to increase occupancy, create brand awareness and sourcing for new hotel management opportunities. As the Director of Business Development, Helen is also responsible for seeking opportunities to further the Group's breadth in terms of property and hotel management.

## **MICHAEL CHIEW (Director of Sales)**

Michael, a Malaysian aged 46, joined the Avillion Hotel Group as Avillion Legacy Melaka's Director of Sales in 2006. In 2012 Michael was promoted to the position of Group Director of Sales heading the Sales Team for the entire stable of hotels in the Group.

He graduated from Stamford College with a Diploma in Hotel and Catering Management, and started his career with the Federal Hotel Kuala Lumpur. Subsequently his experience broadened to include reputable establishments such as Genting View, the Equatorial and Zon Hotels.

His responsibilities include managing, controlling and ensuring optimal Sales Revenue via close monitoring, planning and accounting of Performance of Sales Teams, Travel Agents and Distributors. That all market segments are developed, priced and promoted to achieve this.

## **SANDY CHAN (Country Head/ Executive Director – Reliance Travel & Vacation Asia (HK) Ltd.)**

Sandy, aged 55, is a native Taiwanese who has resided in Hong Kong for more than 30 years. She joined the Company in 1996 and has more than 20 years working experience in the tourism industry. She is familiar with every aspect of the Company's operations, including and not limited to the daily operations management, sales development, inbound and outbound tours operations, staff and financial management.

Multi skilled with wide-ranging social and business networks in both Taiwan and Hong Kong, Sandy excels in her role.

## Profile of Senior Management (Cont'd)

### **RAYMOND TSANG (Country Head / General Manager, Vacation Singapore DMC Pte Ltd and Reliance Travel Agencies (S) Pte Ltd.)**

Raymond, a Singaporean aged 55, joined the Company on 25 October 2016.

Armed with experience spanning 37 years in the travel industry, Raymond's specialisation in Management, Marketing, MICE, Operations & Product Development for Inbound and Outbound business resulted in the setting up of overseas branches for China Travel Service (HK) in London, Sydney, Kuala Lumpur and Singapore.

### **LOW KEE NAM (Senior General Manager, Avillion Hotel International)**

Kee Nam, a Malaysian aged 67, joined Avillion Hotel International in 2006 as General Manager of Avillion Legacy Melaka (ALM) and was subsequently promoted as Senior General Manager in 2016, in charge of the overall operations of ALM.

He holds a Diploma in Hotel Management from the Hotel Institute Montreux, Switzerland.

His scope of responsibility covers Avillion Hotel International, Avillion Operating Review System, Operational Audits, HDV Human Resource Training & Development Plans.

Prior to joining Avillion Hotel International, he has worked with the Regent Hotels & Resorts, Hyatt Hotels International and the Marriot Hotels International in Malaysia and abroad.

### **ROBERT LEE (Senior General Manager, Avillion Port Dickson and Avillion Admiral Cove)**

Robert, a Malaysian aged 51, joined the Company as Senior Financial Controller on 1 February 2012. Since then, he was promoted to Group Financial Controller before assuming his present position as Senior General Manager overseeing Avillion Port Dickson and Avillion Admiral Cove in November 2016. He was also appointed CEO of the Admiral Marina Leisure Club on 7 January 2016.

He holds a Diploma in Financial Reporting from Tunku Abdul Rahman College, Kuala Lumpur and advanced to acquire professional accounting qualifications namely from the Association of Chartered Certified Accountants (ACCA) United Kingdom. He is also an MBA holder in Hospitality Management from AeU Australia. Since 1992, he is also a Certified Accountant (CA) registered with the Malaysian Institute of Accountants (MIA).

He has 26 years of working experience in the hospitality industry (golf & spa resort) as well as property and project development, which includes, pre-opening hotels, theme parks, aquariums and hotel takeovers both locally and abroad.

### **NG KIM ENG (Director of Project, Planning & Construction)**

Kim Eng, a Malaysian aged 56, joined the Group on 13 November 2013.

A Master of Architecture from the University of Texas, he also holds a Bachelor of Science in Environmental Design from the University of Oklahoma, USA.

He currently leads all aspects of planning, development and construction for the Group's Property Division, from the existing 165 acre Desa Impian township development and construction in Bandar Tenggara Johor, to the proposed Admiral Hill - Luxury Senior Living Resort, the Avillion Garden Resort Homes and Admiral Cove Development in Port Dickson, Negeri Sembilan.

### **KENNY CHIN (General Manager, Avillion Admiral Cove)**

Kenny, a Malaysian aged 53, joined the Company in 2013 as Director of Operations and subsequently was promoted to General Manager in February 2015.

He holds a Diploma in Hotel Management, Alpina Hotel Management School, Switzerland.

He is primary accountable for the day-to-day operations of both Avillion Admiral Cove and Admiral Marina & Leisure Club.

## Profile of Senior Management (Cont'd)

### VICTOR FOO (Senior Manager, Head of Internal Audit)

Victor, a Malaysian aged 56, joined the Company in 2006.

He holds a Bachelor of Business from RMIT University, Australia and is a member of the Institute of Internal Auditors.

He has more than 15 years' audit experience with private & public listed companies within the corporate and retail banking, property development & other service industries locally and overseas. Other job involvements or secondments during the tenor of his previous companies included organisation and methods and business process reengineering entailing system migration and enhancement.

### CHONG SWEE CHOON (IT Head of RPB Group)

Swee Choon, a Malaysian aged 56, was joined the Company in October 1996.

He holds an Honour Bachelor of Science Degree in Computer Information Systems and Information Technology from California State University Los Angeles, USA. He has over 30 years of work experience in the Information and Communication Technologies (ICT) industry. Since then he was promoted to several positions before assuming his present position as IT Head of RPB Group.

He is primary accountable for the management of RPB Group's ICT projects, data centre, server and network infrastructures. He is instrumental in developing and managing a qualified team of technical support engineers and plays an important role in supporting RPB Group users.

### JANIES LEE (Company Secretary)

Janies, a Malaysian aged 43, holds a professional degree from the Malaysian Institute of Chartered Secretaries and Administrators. She joined the Group on January 2017 as a Company Secretary.

She is currently an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators.

She is a qualified Chartered Secretary with 17 years experience in corporate secretarial practice. Before joining the Company, she served as Company Secretary of an ICT firm.

Her role in our Company includes attending to all corporate secretarial work, particularly with regard to ensuring compliance with statutory and regulatory requirements as well as ensuring that decisions of the Board of Directors are implemented.

#### Notes :

- *None of the Senior Management has any conflict of interest with the Company.*
- *All the Senior Management have no family relationship with any other director or major shareholder of the Company with the exception of the following Senior Management:-*
  - i) Mr See Ah Sing, who is a Director in Makmur Capital Sdn Bhd, a substantial shareholder of the Company.*
  - ii) Puan Yulina, who is a Director in Ibu Kota Developments Sdn Bhd, a substantial shareholder of the Company.*
- *None of the Senior Management has been convicted for any offences within the past five (5) years and have not been imposed by any public sanction or penalty by the relevant regulatory bodies during the financial year.*

# STATEMENT ON CORPORATE GOVERNANCE

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The Board of Directors 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 on Corporate Governance 2012 (Code) and in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Set out below is a description of how the Group has applied the Principle of the Code and how the Board of Directors has complied with the Code throughout the financial year ended 31 March 2017.

### 1.1. Clear functions reserved for the Board and those delegated to Management.

The respective roles and responsibilities of the Board and Management are clearly set out and understood by both parties to ensure accountability.

The Board is responsible for the overall oversight and management of the Group. The Board functions on the principal that all significant matters are addressed by the Board as it is accountable under the applicable laws and regulations for the Group's activities, strategies, financial position and performance.

The Board delegates certain functions to the Board Committees, the Managing Director ("MD") and the Management.

Key matters reserved for the Board's approval are specified in the Board Charter and the approved Terms of Reference ("TOR") of the respective Board Committees. These include the Group's goals and strategies, financial plans and forecast, quarterly financial statements, public announcements and matter concerning the appointment or re-appointment of External Auditors.

### 1.2 Clear roles 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.
- Formulates key policies, overseeing investments and businesses for the Group.
- Ensures that the Company has appropriate corporate disclosure policies and procedures.
- Establish succession planning and ensures that all candidates appointed to senior management are of sufficient calibre.
- Identifies principal risks and to ensures the implementation of appropriate internal controls.

The management is accountable for the execution of 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 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 the Audit Committee, Nomination Committee and Remuneration Committee. The TOR of these committees are available on the Company's website.

The duties and responsibilities of the Chairman and MD 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 MD is responsible for the efficient and effective management of the business operations and strategic direction of the Group.

## Statement on Corporate Governance (Cont'd)

### 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

#### 1.3 Code and Conduct and Ethics

The Group is committed to promoting and maintaining high standards of transparency, accountability and ethics in the conduct of its business and operations.

The Group's Employee Handbook govern the terms and conditions of employment and the standards of ethics and good conduct expected of the MD and employees.

The Board has established the Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors) which described the standards of business conduct and ethical behavior for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.

#### 1.4 Promoted Sustainability

The Group recognises the importance of sustainability and its increasing impact to the business and is committed to understanding and implementing sustainable practices. The Group will set long term and short term targets for its sustainability efforts in order to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success. The Group acknowledges its corporate social responsibility in the community and will continue to support worthy causes.

#### 1.5 Access to Information and Advice

All Directors were provided with the agenda and relevant Board papers prior to every Board meeting. The Board papers include a comprehensive write up on the latest status of the Group's finance, operations and administrative matters and significant changes in key business strategies of operating units. All matters requiring Board approval are also circulated prior to the Board meeting. During Board meetings, the Directors debate issues openly and constructively and were committed to the collective decision-making processes. The Directors also have direct access to the advice and services of the Company Secretary whenever required. In furtherance of its duties, the Board may also seek external professional advice whenever deemed necessary.

#### 1.6 Qualified and competent Company Secretary

The key roles of the Company Secretary is to provide unhindered advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure statutory and regulatory compliance. She is suitably qualified, competent and capable of carrying out the duties required of the role.

The Company Secretary constantly keeps herself abreast of relevant updates on statutory and regulatory requirements through continuous training. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging their functions.

#### 1.7 Board Charter

The Board Charter is made available for reference on 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.

## Statement on Corporate Governance (Cont'd)

### 2. STRENGTHEN COMPOSITION

#### 2.1 Remuneration Committee

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

Chairman: Onn Kien Hoe  
(Independent Non-Executive Director)  
Members: Tan Sri Dato' Sri Dr. Samsudin Bin Hitam  
(Independent Non-Executive Director)  
Dato' Faisal Zelman Bin Datuk Abdul Malik  
(Independent Non-Executive Director)

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

- (i) Assist 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 MD 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 Share Option Scheme, Share Grant Plan and any other incentive plans to be established by the Company from time to time.

#### 2.2 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: Onn Kien Hoe  
(Independent Non-Executive Director)  
Dato' Faisal Zelman Bin Datuk Abdul Malik  
(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.

## Statement on Corporate Governance (Cont'd)

### 2. STRENGTHEN COMPOSITION (cont'd)

#### 2.3. Develop, Maintain and review Criteria for Recruitment and Annual Assessment of Directors

The appointment of new Directors is under the purview of the Remuneration Committee which is responsible to perform a thorough assessment of the candidates and to deliberate on the assessment prior to recommending the candidates to the Board for its approval.

The Remuneration Committee has carried out an evaluation of the effectiveness of the Board and Board Committees and individual Directors. This includes the Role and Responsibilities of the Board; the Board composition; Information to the Board; Conduct of Board meetings, Performance Evaluation on Board and Board Committees and Directors' self-assessments. The Remuneration reviewed the outcome of the evaluation exercise and the areas for continuous improvement.

The Board views that it is important to have boardroom diversity such as diversity in ethnicity, gender and age. The Board has currently appointed Puan Yulina Binti Baharuddin as a Non-Independent Executive Director.

#### 2.4 Remuneration policies and procedures

The aggregate remuneration of the Directors during the financial year 2017 are categorized into appropriate components as follow:

Board of Directors	Salary and other Emoluments RM	Fee RM	Benefit-in-Kind RM	Total RM
Executive Director	1,324,986.00	-	37,620.00	1,362,606.00
Non-Executive Directors	-	188,000.00	46,500.00	234,500.00

Range of Remuneration	Number of Director	
	Executive Director	Non-Executive Director
Below RM50,000	-	4
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	1	-
RM500,001 to RM550,000	1	-
RM700,001 to RM750,000	1	-

Note: Successive bands of RM50,000 are not shown as they are not represented.

The Board is mindful of the disclosure of details of the remuneration of Directors. The Company complies with the disclosure requirement under the MMLR of BMSB. The Board is of the view that the transparency and accountability aspect of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the above disclosure.

### 3. REINFORCE INDEPENDENCE

#### 3.1 Annual Assessment of Independence

The Board assesses the independence of the Independent Non-Executive Directors annually based on the criteria developed by the Nomination Committee. The Board is satisfied with the level of independence demonstrated by all the independent Non-Executive Directors and their ability to act in the best interest of the Company.

#### 3.2 Tenure of Independent Directors

As at the end of the financial year under review, all the existing Independent Directors of the Company have served the Board for less than nine (9) years.

#### 3.3 Separation of positions of the Chairman and Group Managing Director

Although the Chairman has some influence over the role of the Executive Director/Group Managing Director and the strategic business direction of the Group, the role of the Chairman is separate from the role of the Executive Director/Group Managing Director and his responsibilities are clearly defined to ensure the balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board while the Executive Director/Group Managing Director is responsible for the overall operations of the business and the implementation of Board strategies.

#### 3.4 Composition of the Board

The composition of the Board consist of members with a wide range of skills and experiences from the financial and business background to lead and control the Group.

The Board continues to give due consideration to its size, composition and spread of experience and expertise. No individual or group of individuals dominates the Board's decision-making ability. The Board has the appropriate number of Directors in terms of the complexity and size of the Group. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account the long-term interests of shareholders and stakeholders of the Group.

The current Board has five (5) members comprising One (1) Executive Director, three (3) Independent Non-Executive Directors and One (1) Non-Independent Executive Director.

The composition of the Board is in compliance with Paragraph 15.02 of the MMLR of BMSB which requires that at least 2 directors or 1/3 of the Board of Directors, whichever is the higher, to be independent.

The Directors contribute greatly to the Company through their business acumen, wide range of knowledge and skills from their vast experiences. A brief description of the background of each director is contained in the Directors' Profile section. This composition and combination of difference skills ensures an effective Board decision-making process and enables the Board to efficiently lead and control the Group.

## Statement on Corporate Governance (Cont'd)

### 4. FOSTER COMMITMENT

#### 4.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. There were Nine (9) Board meetings held in the Financial Year 2017. The attendance of the members of the Board at Board meetings in the Financial Year 2017 are as follows:

Director	Attendance
Tan Sri Dato' Sri Dr. Samsudin Bin Hitam	9/9
See Ah Sing	9/9
Onn Kien Hoe (Appointed on 01/06/2016)	7/7
Dato' Faisal Zelman Bin Datuk Abdul Malik (Appointed on 10/10/2016)	3/3
Yulina Binti Baharuddin (Appointed on 04/11/2016)	2/2
Amirul Azhar Bin Baharom (Resigned on 10/10/2016)	6/6
Datin Irene Tan (Resigned on 30/09/2016)	5/5
Tan Sin Chong (Retired on 22/09/2016)	5/5
Datuk Md Wira Dani Bin Abdul Daim (Appointed on 27/07/2016) (Resigned on 18/08/2016)	0/2

#### 4.2 Directors' Training

All directors have attended and successfully completed the Mandatory Accreditation Programme accredited by BMSB. In addition, seminars and conferences organized by BMSB, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation. The Board has identified training needs amongst the Directors and enrolled themselves for the training programmes as and when required. Directors may also request to attend additional training to keep abreast of their individual requirements.

The various other training programmes, seminars and conferences attended by the Directors are as follows:-

Directors	Training Programmes/Seminars/Conference
TAN SRI DATO' SRI DR. SAMSUDIN BIN HITAM	<ul style="list-style-type: none"> <li>- ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2016</li> <li>- Bursa Malaysia's Sustainability Forum 2017: The Velocity of Global Change &amp; Sustainability – The New Business Model</li> <li>- Board Chairman Series Part 2: Leadership Excellence From The Chair</li> <li>- Nominating Committee Programme Part 2: Effective Board Evaluations</li> </ul>
SEE AH SING	<ul style="list-style-type: none"> <li>- CG Breakfast Series with Directors: The Strategy, the Leadership, the Stakeholder and the Board</li> </ul>
YULINA BINTI BAHARUDDIN	<ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme for Directors of Public Listed Companies</li> <li>- CG Breakfast Series with Directors: Anti – Corruption &amp; Integrity – Foundation of Corporate Sustainability</li> </ul>
ONN KIEN HOE	<ul style="list-style-type: none"> <li>- National Tax Conference 2016</li> <li>- Takaful For Directors</li> <li>- International Experience Sharing on IFRS Implementation</li> <li>- MFRS - A Broad Overview and Business Implications</li> </ul>
DATO' FAISAL ZELMAN BIN DATUK ABDUL MALIK	<ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme for Directors of Public Listed Companies</li> <li>- CG Breakfast Series with Directors: The Cybersecurity Threat and How Board Should Mitigate the Risks</li> </ul>

## 5. UPHOLD INTERGRITY IN FINANCIAL REPORTING

### 5.1 Compliance with Applicable Financial Reporting Standards

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, 2016 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.

### 5.2 Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. The Audit Committee also had obtained assurance from the external auditors confirmed that they have been independent throughout the audit engagement. The Audit Committee is satisfied with the External Auditors' performance and will recommend their re-appointment to the Board and seek shareholders' approval during AGM.

The Board has established a formal and transparent relationship with the External Auditors. The Audit Committee meets with the External Auditors, excluding the attendance of the Executive members of the committee at least twice a year to facilitate to exchange of views on issues requiring attention.

## 6. RECOGNISE AND MANAGE RISK

### 6.1 Sound framework to manage risks

The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with those risks and opportunities.

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems.

The Statement on Risk Management and Internal Control made pursuant to Paragraph 15.26(b) of the MMLR of BMSB is separately set out in the Annual Report.

### 6.2 Internal Audit function

The Board has established an Internal Audit function within the Company which is led by the Senior Manager, Internal Audit Unit who reports directly to the Audit Committee.

Details of the key elements of the Group's internal controls system are set out separately in the Statement on Risk Management and Internal Control and the Report of the Audit Committee in this Annual Report.

## Statement on Corporate Governance (Cont'd)

### 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

#### 7.1 Appropriate Corporate Disclosure Policies and Procedures

The Group has put in place appropriate controls on the confidentiality of information where all Executive Directors and employees of the Company are required to sign a Confidentiality Agreement before appointment. This is ensure that the confidential information is properly handled to avoid leakage and improper use of such information. The Group uphold strict standards on confidentiality with regard to the undisclosed material information and to ensure that the dissemination of information to the shareholders and general public is done in a timely and fair manner. The Board is mindful that information which is expected to be material must be announced immediately.

In addition, the Board has established the Corporate Disclosure Policies and Procedures which applies to all Directors, management and employees of the Group. It outlines the Company's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained and restrictions on insider trading. It also provides guidelines in order to achieve consistent disclosure practices across the Company.

#### 7.2 Leverage on Information technology for effective dissemination of information

The Company's website incorporates the corporate information of the Company and is accessible to the public. The website also incorporates an Investor Relations section which provides all relevant information on the Company's shares, financial information announcements made by the Company to Bursa Malaysia as well as the latest media news on the Company. The Company has continuously leveraged on information technology for effective dissemination of information to shareholders and to the public.

### 8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

#### 8.1 Encourage shareholder participation at general meetings

The Notice of General Meetings together with a copy of the Company's Annual Report and/or Circular to Shareholders will be dispatched to shareholders within the prescribed notice period prior to the scheduled general meetings in order to provide sufficient time the shareholders to make the necessary arrangements to attend and participate either in person, by corporate representative or by proxy. The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations and more importantly, it provides an avenue for the shareholders to make enquires on the resolutions being proposed and to seek clarification on the business and performance of the Group.

#### 8.2 Poll Voting

At the forthcoming AGM, all resolutions put to the meeting shall be voted by poll and an announcement of the results with the number of votes cast for and against each resolution shall be made.

#### 8.3 Effective communication and proactive engagement

The Company recognizes the importance of providing adequate information to the shareholder on a timely announcements and disclosures made to Bursa Malaysia including the release of financial results on a quarterly basis. Additionally, the Annual General Meeting is the principal forum for dialogue and interaction with all shareholders, who are given the opportunity to enquire and seek clarification on the operations and financial performance of the Group.

In additions to the above, the Company is always willing to meet up with institutional investors whenever the need arises, to elaborate or to further clarify the information which has been disclosed to the shareholders. The shareholders can also obtain up-to-date information from the Company's website [www.rpb.com.my](http://www.rpb.com.my)

# AUDIT COMMITTEE REPORT

## 1.0 Composition

- Chairman : Onn Kien Hoe  
Independent Non-Executive Director
- Members : Tan Sri Dato' Sri Dr. Samsudin Bin Hitam  
Independent Non-Executive Director
- Dato' Faisal Zelman Bin Datuk Abdul Malik (appointed on 10 October 2016)  
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.
- 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 in discharging its duties and responsibilities
- 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.

## Audit Committee Report (Cont'd)

### 3.0 Summary of Activities of the Audit Committee

The Audit Committee held five (5) meetings during the financial year ended 31 March 2017. The attendance of each member of the Committee is as follows :-

	<b>Attendance</b>
Onn Kien Hoe	3/3
Tan Sri Dato' Sri Dr. Samsudin Bin Hitam	5/5
Dato' Faisal Zelman Bin Datuk Abdul Malik	2/2
Tan Sin Chong (retired on 22/09/2016)	3/3
Amirul Azhar Bin Baharom (resigned on 10/10/2016)	3/3

The main activities undertaken by the Audit Committee for the financial year ended 31 March 2017 included the following :-

- Reviewed the Group's Annual Business Plans and strategies for the Board's approval.
- Reviewed the External Auditors' audit planning memorandum (including audit approach and and scope), audit report and key matters arising.
- Assessed the performance, independence and suitability of the External Auditors for its re-appointment as Auditors of the Group and recommended to the Board of Directors on their re-appointment and audit fees. The External Auditors provided written confirmation on their independence and measures adopted to control the quality of work performed.
- Discussed the implications of any latest changes issued by the statutory and regulatory bodies on the Group.
- Reviewed the quarterly and year end financial statements with the Management and External Auditors for recommending to the Board of Directors for approval before announcement to Bursa Malaysia Securities Berhad. Accounting principles and standards applied and judgements were discussed.
- Reviewed the risk based annual Audit Plan to ensure adequate scope and coverage of the Group's activities.
- Reviewed and deliberated on the internal audit reports tabled during the year, audit recommendations made and the Management's responses to the recommendations.
- Reviewed the Management's corrective actions taken to ensure all key risks and audit recommendations had been promptly addressed.
- Reviewed and approved the Annual Report 2017.

### 4.0 Summary of Activities of the Internal Audit Function

The Group's Internal Audit Department ("the Department") reports its activities and results of the reviews to the Audit Committee based on the approved annual Audit Plan. The Department independently reports key internal control matters, potential risk implications and non compliances with the Group's Policies and Procedures, audit recommendations and the Management's agreed action plans at the Audit Committee meetings. Before audit recommendations are proposed, the Group's strategic directions, corporate and business objectives and key risks within its diverse business environment are considered.

The main activities undertaken by the Internal Audit Department for the financial year ended 31 March 2017 included the following :-

- Prepared the risk based annual Audit Plan for approval by the Audit Committee.
- Perform risk based audits on business and support units of the Group which covered reviews of key business processes, internal control system and risk management.
- Evaluated the adequacy and effectiveness of the Group's internal control and risk management system in identifying, evaluating, managing and monitoring key potential risks.
- Issued audit reports to the Audit Committee and Management and highlighted key issues and recommendations which were followed up to ensure remedial actions were taken promptly.
- Followed up on ad hoc requests or recommendations made by the Audit Committee and Management.
- Reported to the Audit Committee on review of the adequacy and compliance with procedures established to monitor recurrent related party transactions.

The total cost of internal audit for the financial year under review was approximately RM 390,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 1.0 Introduction

As a listed company on Bursa Malaysia Securities Berhad, the Board of Directors ('Board') is responsible and committed to maintain a robust risk management and internal control system encompassing financial and operating activities to safeguard shareholders' investments and the Group's assets.

In line with paragraph 15.26(b) of Bursa Malaysia Main Market Listing Requirements and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors is pleased to provide the following Statement on Risk Management and Internal Control.

## 2.0 Board's Roles and Responsibilities

The Board recognises the risk management and internal control system as a vital part of the Group's business operations. They acknowledge that all areas of the business activities involve certain degree of risk and are therefore committed to ensure the adequacy and integrity of the system of risk management and internal control. The Board periodically reviews the adequacy, effectiveness and reliability of the internal control system with an ongoing risk management process appropriate for the Group's diverse and dynamic business environment

In view of the inherent limitations in any system of internal controls, the system is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. It therefore can provide only reasonable and not absolute assurance against material misstatement or loss. For the purpose of this review, the scope of responsibility does not include that of the Group's associate companies.

## 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 business objectives. The Group's overall risk appetite is based on assessment of the Group's existing risk management capabilities and capacity.

### 3.1 Risk Identification, Monitoring & Reporting

The organisation structure sets out respective roles and responsibilities, levels of authority and lines of accountability to ensure effective and independent stewardship. Risk management is under the purview of the Senior Management and the Board. It is embraced as a collective responsibility and integrated into the Group's core business processes holistically by engaging all Heads of business divisions as risk owners within their immediate sphere of risks. Risk management covers two broad lines of defence.

The Heads of business divisions jointly with their employees form the first line of defence against risks. They are responsible and accountable for identifying, evaluating and reporting significant risks within their scope of responsibilities to the Management before they are conveyed to the Board. On a strategic perspective, the Heads of business divisions in consultation with the Managing Director and Chief Financial Officer are responsible for managing, monitoring and mitigating key risks relating to strategy, operational, financial and external environment. As risks cannot be eliminated, monitoring and reporting activities are performed periodically to ensure instituted controls are appropriate, sufficient and effectively applied within the Group to reduce risk exposure.

The Board which is supported by the External Audit 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 for continuous improvements from time to time. The Board of Directors meet regularly at least once every quarterly in a year. Any key risks or issues impacting the Group which are highlighted are discussed and deliberated.

## Statement on Risk Management and Internal Control (Cont'd)

### 3.2 Risk Evaluation

The Management identifies and evaluates significant potential risks at operational and financial levels based on their existing internal control systems before improving and monitoring these controls to mitigate and control key risks. Identified risks are evaluated by level of materiality and probability of occurrence at each business division before they are further assessed on a Group perspective. The objective is to ensure a balanced achievement of the Group's business objectives and operational efficiency can be attained.

### 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, Nominating & Remuneration Committee 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 responsibility and authority levels.

#### 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 business and operating divisions' requirements.
- 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 budgets to ensure that for significant variances against budget noted, corrective actions, if required, are taken promptly to mitigate 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 & Board meetings are held periodically to provide appropriate communication and feedback channels in a transparent and confidential manner.

#### **4.4 Monitoring Mechanism**

- 4.4.1 The Board is responsible for setting the business direction and overseeing the overall conduct of the Group's businesses and operations via its management committees and management reporting mechanism. Board meetings are held once every quarterly in a year. The Managing Director communicates the Board's expectations and concerns to the Management for further actions. In addition, the directors and senior management conduct regular management and operation meetings. In these meetings, business strategies, operational, financial, external business environment matters and inherent risks are discussed and deliberated with action plans. Based on these mechanisms, the Board is regularly updated on matters relating to risk management, internal controls and regulatory compliance.
- 4.4.2 The Group's Internal Audit function reports to the Audit Committee and is guided by its approved terms of reference. The Internal Audit function provides the Board with an independent and balanced assurance on the adequacy and effectiveness of the risk management and internal control system by performing regular audits and follow up audits based on the risk based annual Audit Plan approved by the Audit Committee. Significant audit matters and recommendations for improvements are reported to the Management and Audit Committee with periodic follow up status on 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 recognises that the Group operates in a rapidly challenging and dynamic business environment in which the risk management and internal control system must be responsive towards achieving sustainable and profitable growth.

For the financial year under review, an appraisal on the adequacy and effectiveness of the risk management and internal control system had been undertaken. Arising from reviews performed, internal controls requiring improvements had been identified and rectification measures had been taken to address them promptly. This system 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 have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 March 2017. Their review was performed in accordance with Recommended Practice Guide ('RPG') 5 issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the Group's risk management and internal control system.

#### **7.0 Conclusion**

Based on the Board's review and reasonable assurances received from the Managing Director and Chief Financial Officer, the Board is of the opinion that for the financial year under review, the Group's overall risk management and internal control system is adequate to meet the Group's business objectives to ensure good corporate governance. No adverse control issues which would materially impact the results of the Group were noted. All potential significant risks will be reviewed and monitored on an ongoing basis to enhance the adequacy and effectiveness of the Group's risk management and internal control system.

# 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 preservation for the future.

The preservation of the environment is a very challenging task due to many variables and unexpected events. Avillion Hotel Group ("AHG") 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 systems are being installed in the hotel rooms to reduce energy consumption and wastage of resources. To conserve water, half-flush water closet systems are being installed in our hotel rooms. Conscious efforts have been made to reduce the usage of plastic and wherever possible, switching to paper.

All employees of the RPB Group are encouraged to reduce paper usage and use recycled paper where possible. Spring-cleaning events are 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 have 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, effective performance building and job skills-related training to equip employees with improved skills and knowledge.

To strike a balance between work life and personal time, 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 Social Setting

The Group recognizes that any form of contribution for the social welfare and/or development of the community would indirectly contribute to the social well-being and development of the Malaysian Public.

The Group 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 "Christmas Fantasy Story" to celebrate this festive season with 60 children from Vivekananda Home, Rembau. A charity visit to Amitabha Malaysia was organized by Avillion Legacy Melaka during the Chinese New Year holiday whereby the hotel staff donated hampers, goody bags of basic necessities to the home.

Avillion Hotel Group had on 15 November 2016 organised a beach clean-up event at Pantai Saujana as part of the effort to provide a clean environment for holiday makers to this popular beach. The staff of the hotel and 80 students from Sekolah Kebangsaan Panglima Adnan jointly worked together, scouring this popular beach of Port Dickson from early morning to midday. This volunteer activity was successful in bringing together adults and children to work together to create a better and cleaner environment for Port Dickson. It also provides an opportunity to reinforce to the future generation on the importance of preserving the environment for their enjoyment.

In order to foster a sense of community and teach the little ones the importance of investing in the future, Avillion Port Dickson organized an Earth Day on 21 April 2017 to give back to Mother Earth by planting a tree within the hotel premises, along with other guests.

The group also organized blood donation campaigns on 13 August 2016 and 25 October 2016 to bolster support for the state's Blood Bank.

AHG is committed to focusing on the next generation and one 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 educational 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 the general public, for access to information such as the Group's profile, products, financial performance and corporate information.

## ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

- **Utilisation of proceeds raised from Corporate Proposals**

There were no proceeds raised from Corporate Proposals during the financial year.

- **Audit Fees**

Audit fees paid/payable to External Auditors by the Company and by the Group for the financial year ended 31 March 2017 amounted to RM15,000 and RM287,000 respectively.

- **Material Contracts**

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year or entered into since the previous financial year.

# FINANCIAL STATEMENTS

<b>30-33</b>	Directors' Report
<b>34</b>	Statement by Directors & Statutory Declaration
<b>35-38</b>	Independent Auditors' Reports
<b>39-40</b>	Statements of Financial Position
<b>41</b>	Statements of Profit or Loss
<b>42</b>	Statements of Other Comprehensive Income
<b>43</b>	Statements of Changes in Equity
<b>44-45</b>	Statements of Cash Flows
<b>46-103</b>	Notes to the Financial Statements
<b>104-106</b>	Notice of Annual General Meeting
<b>107-108</b>	List of Properties
<b>109-111</b>	Analysis of Shareholdings
	Proxy Form

# REPORT OF THE DIRECTORS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 2017.

### 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

	<b>GROUP RM'000</b>	<b>COMPANY RM'000</b>
Net loss for the year attributable to:		
Equity holders of the parent	(24,521)	(15,073)
Non-controlling interests	64	-
	(24,457)	(15,073)

In the opinion of the directors, except for the impairment loss of financial assets amounting to RM8.741 million and bad debts written off amounting to RM7.218 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	
See Ah Sing	
Onn Kien Hoe	
Yulina Binti Baharuddin	(Appointed w.e.f 04.11.2016)
Dato' Faisal Zelman Bin Abdul Malik	(Appointed w.e.f 10.10.2016)
Amirul Azhar Bin Baharom	(Resigned w.e.f 10.10.2016)
Datin Irene Tan	(Resigned w.e.f 30.09.2016)
Tan Sin Chong	(Retired w.e.f 22.09.2016)
Datuk Md Wira Dani Bin Abdul Daim	(Appointed w.e.f 27.07.2016 and resigned w.e.f 18.08.2016)

**Report of the Directors (Cont'd)**  
**For the Financial Year Ended 31 March 2017**

**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			At 31.03.2017
	At 01.04.2016	Bought	Sold	
<b>Indirect Interests:</b>				
See Ah Sing	-	248,178,113	-	248,178,113

By virtue of his substantial interest in the Company, See Ah Sing 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.

**DIRECTORS' REMUNERATION**

None of the directors or past directors of the Company have received any remunerations from the Company during the year other than disclosed in Note 24 to the financial statements.

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors or past directors of the Company during the year other than disclosed in Note 31 to the financial statements.

**INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the directors, officers or auditors of the Company.

**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 all known bad debts had been 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.

**Report of the Directors (Cont'd)**  
**For the Financial Year Ended 31 March 2017**

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

- (a) which would render the amounts written off for bad debts or 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' REMUNERATION**

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors is disclosed in Note 24 to the financial statements.

#### **SUBSIDIARY COMPANIES**

The detail of the subsidiary companies is disclosed in Note 10 to the financial statements.

**Report of the Directors (Cont'd)  
For the Financial Year Ended 31 March 2017**

**AUDITORS**

The retiring auditors, Messrs. AljeffriDean, have indicated their willingness to be re-appointed.

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

.....  
**Tan Sri Dato' Sri Dr. Samsudin Bin Hitam**  
Director

.....  
**See Ah Sing**  
Director

Kuala Lumpur,

Date: 25 July 2017

## STATEMENT BY THE DIRECTORS PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT, 2016

The directors of Reliance Pacific Berhad state that, in their opinion, the financial statements set out in pages 39 to 103 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2017 and financial performance 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,

.....  
**Tan Sri Dato' Sri Dr. Samsudin Bin Hitam**  
Director  
Kuala Lumpur,

.....  
**See Ah Sing**  
Director

Date: 25 July 2017

## STATUTORY DECLARATION PURSUANT TO SECTION 251 (1) (b) OF THE COMPANIES ACT, 2016

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 39 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 25 July 2017 )

Before me,

.....  
**Commissioner for Oaths**

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RELIANCE PACIFIC BERHAD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Reliance Pacific Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 39 to 103.

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

### Basis for Opinion

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

### Independence and Other Ethical Responsibilities

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

### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
<p><b>Impairment review of goodwill arising on consolidation (Note 8 to the financial statements)</b></p> <p>The Group has goodwill of RM19.714 million.</p> <p>The goodwill contained a cash generating unit ('CGU') of which the recoverable amount, required a judgement on the part of management in identifying and then valuing the relevant CGU.</p> <p>The recoverable amount is based on assumptions including net profit margin, growth rate and discount rate.</p> <p>We focused on this area because of the inherent judgement involved in the determining the said key assumptions.</p>	<p>The audit procedures performed were:</p> <ul style="list-style-type: none"> <li>• Making enquiries of and challenging the management on the key assumptions made, including: <ul style="list-style-type: none"> <li>• The achievement of the business plan;</li> <li>• Sales growth, net profit margin and discount rate;</li> </ul> </li> <li>• Assessed the adequacy of disclosure of goodwill in the financial statements</li> </ul> <p>Based on the work performed, there was no material exception to report.</p>

## Independent Auditors' Report to the Members of Reliance Pacific Berhad (Cont'd)

### Key Audit Matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
<p><b>Assessment of the recoverability of trade and other receivables (Note 15 to the financial statements)</b></p> <p>As at 31 March 2017, the Group has trade and other receivables of RM31.516 million and less allowance for doubtful debts of RM0.775 million.</p> <p>The Group's activities continue to be challenged by certain economic factor and requiring the Group to carefully assess the collectability of its receivables.</p> <p>This requires management to exercise judgement in assessing the aged profile, historical payment trends and other available information concerning the creditworthiness of counterparties to determine the recoverability of receivables. Management uses this information to form their judgement to determine whether there is impairment indicator.</p> <p>We determined this as area of focus as it requires a high level of management judgement and the materiality of the amounts.</p>	<p>The audit procedures performed in relation to where no allowance was recognised were:</p> <ul style="list-style-type: none"> <li>• Checked that payments had been received from customers after the year end;</li> <li>• Enquired with management on historical payment patterns and expected settlement dates; and</li> <li>• Assessed customers' ageing profile by checking the accuracy of aged buckets</li> </ul> <p>The audit procedures performed in relation where allowance was recognised were:</p> <ul style="list-style-type: none"> <li>• For selected specific customers, we tested their historical payment patterns and whether any post balance sheet payments had been received up to the date of completing our audit procedures; and</li> <li>• Where they were disputes, we read the correspondence, checked supporting documentation and evaluated management's recovery actions to ascertain the recoverability of the amounts under disputes and adequacy of the allowance made</li> </ul> <p>Based on the work performed, there was no material exception to report.</p>

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

## Independent Auditors' Report to the Members of Reliance Pacific Berhad (Cont'd)

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause of the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within of the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## Independent Auditors' Report to the Members of Reliance Pacific Berhad (Cont'd)

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors are disclosed in Note 10 to the financial statements.

### 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 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

.....  
**AljeffriDean**  
 AF 1366  
 Chartered Accountants

.....  
**Zuhairi Dzaruddin**  
 No. 03145/06/2018 J  
 Chartered Accountant

Kuala Lumpur,

Date: 25 July 2017

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MARCH 2017

	NOTE	GROUP		COMPANY	
		2017 RM'000	2016 RM'000 As Restated	2017 RM'000	2016 RM'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	236,700	241,154	714	859
Land held for development	6	68,252	67,789	-	-
Investment properties	7	3,749	3,779	-	-
Goodwill arising on consolidation	8	19,714	19,714	-	-
Investment in associates	9	5	21	-	-
Subsidiary companies	10	-	-	37,216	37,216
Other investments	11	379	396	-	-
Deferred and development expenditure	12	13	11	-	-
Deferred tax assets	13	-	172	-	-
Trade and other receivables	15	8,007	-	8,007	-
		336,819	333,036	45,937	38,075
<b>CURRENT ASSETS</b>					
Development properties	6	43,629	40,207	-	-
Inventories	14	17,827	19,474	-	-
Trade and other receivables	15	22,734	58,270	3,620	26,018
Amount due from subsidiary companies	16	-	-	270,893	273,502
Fixed and call deposits		12,808	16,547	-	8,230
Cash and bank balances		5,076	4,508	2,314	2,437
		102,074	139,006	276,827	310,187
Asset held for sale	36	14,517	23,910	-	-
		116,591	162,916	276,827	310,187
<b>TOTAL ASSETS</b>		453,410	495,952	322,764	348,262
<b>NON-CURRENT LIABILITIES</b>					
Term loans	17	61,768	76,404	61,486	75,486
Hire purchase payables	18	212	360	157	242
Deferred tax liabilities	13	6,255	6,338	16	16
		68,235	83,102	61,659	75,744

See accompanying notes to the financial statements.

**Statements of Financial Position (Cont'd)**  
**As at 31 March 2017**

	NOTE	GROUP		COMPANY	
		2017 RM'000	2016 RM'000 As Restated	2017 RM'000	2016 RM'000
<b>CURRENT LIABILITIES</b>					
Trade and other payables	19	24,484	27,632	3,342	752
Amount due to subsidiary companies	16	-	-	49,478	55,912
Short term borrowings	20	62,220	65,937	36,747	29,257
Hire purchase payables	18	140	144	71	57
Provision for taxation		52	3	-	-
		86,896	93,716	89,638	85,978
<b>TOTAL LIABILITIES</b>		155,131	176,818	151,297	161,722
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>					
Share capital	21	200,551	171,710	200,551	171,710
Reserves	22	91,724	141,484	(29,084)	14,830
Equity attributable to equity holders of the parent		292,275	313,194	171,467	186,540
Non-controlling interests		6,004	5,940	-	-
<b>TOTAL EQUITY</b>		298,279	319,134	171,467	186,540
<b>TOTAL LIABILITIES AND EQUITY</b>		453,410	495,952	322,764	348,262

See accompanying notes to the financial statements.

## STATEMENTS OF PROFIT OR LOSS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	NOTE	GROUP		COMPANY	
		2017 RM'000	2016 RM'000 As Restated	2017 RM'000	2016 RM'000
Revenue	23	154,201	194,199	5,135	4,778
Cost of sales	23	(103,302)	(144,631)	-	-
Gross profit		50,899	49,568	5,135	4,778
Other operating income		1,398	834	56	26
Administrative expenses		(66,322) <sup>#</sup>	(67,823) <sup>*</sup>	(14,331)	(8,211)
Loss from operations	24	(14,025)	(17,421)	(9,140)	(3,407)
Finance costs	25	(8,900)	(9,615)	(5,933)	(6,325)
Share of results of associates		(16)	(26)	-	-
Loss before taxation		(22,941)	(27,062)	(15,073)	(9,732)
Taxation	26	(1,516)	(1,298)	-	90
Net loss for the year		(24,457)	(28,360)	(15,073)	(9,642)
<b>Net loss for the year attributable to:</b>					
Equity holders of the parent		(24,521)	(28,020)	(15,073)	(9,642)
Non-controlling interests		64	(340)	-	-
		(24,457)	(28,360)	(15,073)	(9,642)
<b>Basic losses per share (sen)</b>	27	(2.86)	(3.26)		

# Included in the Group's administrative expenses are impairment loss of financial assets amounting to RM8.741 million and bad debts written off amounting to RM7.218 million.

\* Included in the Group's administrative expenses are impairment losses of goodwill amounting to RM12.321 million.

See accompanying notes to the financial statements.

# STATEMENTS OF OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000 As Restated	2017 RM'000	2016 RM'000
Net loss for the year	(24,457)	(28,360)	(15,073)	(9,642)
Other comprehensive income: Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	3,559	(4,043)	-	-
Gain on fair value changes of available-for-sale	43	19	-	-
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of property, net of tax	-	28,993	-	-
	3,602	24,969	-	-
Total comprehensive loss for the year	(20,855)	(3,391)	(15,073)	(9,642)
<b>Total comprehensive loss for the year attributable to:</b>				
Equity holders of the parent	(20,919)	(4,597)	(15,073)	(9,642)
Non-controlling interests	64	1,206	-	-
	(20,855)	(3,391)	(15,073)	(9,642)

See accompanying notes to the financial statements.

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

GROUP	NOTE	Equity Attributable to Equity Holders of the Parent									
		Share Capital RM'000	Share Premium Reserve RM'000	Share Buy-Back Reserve RM'000	Available-Share Reserve RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Profits/(Losses) RM'000	Non-Controlling Interests RM'000	Total Equity RM'000	Distributable
Balance as at 01.04.2015		171,710	19,911	8,930	(4,696)	3,172	69,455	78,668	347,150	6,348	353,498
- As previously reported											
Prior year adjustment	37	-	-	-	-	-	11,732	(41,091)	(29,359)	(1,614)	(30,973)
Balance as at 01.04.2015		171,710	19,911	8,930	(4,696)	3,172	81,187	37,577	317,791	4,734	322,525
- As restated					19	(4,043)	27,447	(28,020)	(4,597)	1,206	(3,391)
Total comprehensive loss for the year											
Balance as at 31.03.2016		171,710	19,911	8,930	(4,677)	(871)	108,634	9,557	313,194	5,940	319,134
Transfer to share capital	21	28,841	(19,911)	(8,930)	-	-	-	-	-	-	-
Total comprehensive loss for the year					43	3,559	-	(24,521)	(20,919)	64	(20,855)
Balance as at 31.03.2017		200,551	-	-	(4,634)	2,688	108,634	(14,964)	292,275	6,004	298,279

### COMPANY

NOTE	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	Total RM'000
Balance as at 01.04.2015	171,710	19,911	8,930	(4,369)	196,182	196,182
Total comprehensive loss for the year	-	-	-	(9,642)	(9,642)	(9,642)
Balance as at 31.03.2016	171,710	19,911	8,930	(14,011)	186,540	186,540
Transfer to share capital	28,841	(19,911)	(8,930)	-	-	-
Total comprehensive loss for the year	-	-	-	(15,073)	(15,073)	(15,073)
Balance as at 31.03.2017	200,551	-	-	(29,084)	171,467	171,467

See accompanying notes to the financial statements.

## STATEMENTS OF CASH FLOW

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

NOTE	GROUP		COMPANY	
	2017 RM'000	2016 RM'000 As Restated	2017 RM'000	2016 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss before taxation	(22,941)	(27,062)	(15,073)	(9,732)
Adjustments for:				
Bad debts written off	7,218	-	-	15
Depreciation of property, plant and equipment	5,136	7,487	154	146
Depreciation of investment properties	40	39	-	-
Gain on disposal of property, plant and equipment	(41)	(27)	(56)	(26)
Property, plant and equipment written off	3	-	-	-
Share of results of associates	16	26	-	-
Interest expenses	8,900	9,615	5,933	6,325
Impairment losses of goodwill	-	12,321	-	-
Impairment loss of financial assets	8,741	-	8,241	-
Impairment loss of unquoted shares	60	-	-	-
Unrealised loss on foreign exchange	-	-	2,132	3,826
Net allowance for doubtful debts	-	(238)	-	-
(Gain)/Loss on disposal of land held for development	(201)	101	-	-
Gain on disposal of investment in associate	(861)	-	-	-
Gain on disposal of other investments	-	(3)	-	-
Interest income	(639)	(482)	(4,805)	(4,448)
Operating profit/(loss) before working capital changes	5,431	1,777	(3,474)	(3,894)
Decrease/(Increase) in inventories	1,647	(3,456)	-	-
Decrease/(Increase) in receivables	21,343	9,415	17,126	(18,035)
(Decrease)/Increase in payables	(3,821)	804	(9,208)	7,144
(Increase)/Decrease in development properties	(3,422)	6,140	-	-
Cash generated from/(used in) operations	21,178	14,680	4,444	(14,785)
Tax paid	(1,518)	(2,036)	(34)	(40)
Tax refund	2	164	-	91
Interest paid	(8,900)	(9,615)	(5,933)	(6,325)
Net cash generated from/(used in) operating activities	10,762	3,193	(1,523)	(21,059)

See accompanying notes to the financial statements.

**Statements of Cash Flow (Cont'd)**  
**For the Financial Year Ended 31 March 2017**

	NOTE	GROUP		COMPANY	
		2017 RM'000	2016 RM'000 As Restated	2017 RM'000	2016 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of property, plant and equipment		88	158	65	27
Proceed from disposal of other investments		-	68	-	-
Proceed from disposal of investment in associate, net		10,254	-	-	-
Purchase of property, plant and equipment	28	(715)	(983)	(18)	(126)
Purchase of investment properties		(10)	-	-	-
Purchase of other investments		-	(3)	-	-
Increase in land held for development		(1,707)	(2,497)	-	-
Proceeds from disposal of land held for development, net		1,445	-	-	-
Authorised depository	29	(8,230)	-	(8,230)	-
Interest received		639	482	4,805	4,448
Net cash generated from/(used in) investing activities		1,764	(2,775)	(3,378)	4,349
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Drawdown of borrowings, net		239	84,453	-	81,486
Repayment of borrowings		(12,181)	(71,950)	(6,000)	(48,744)
Advance from certain director		3,129	-	3,129	-
Repayment of hire purchase payables		(152)	(271)	(71)	(59)
Net cash (used in)/generated from financing activities		(8,965)	12,232	(2,942)	32,683
Net increase/(decrease) in cash and cash equivalents		3,561	12,650	(7,843)	15,973
Cash and cash equivalents at beginning of the year		(19,201)	(31,600)	(2,590)	(18,563)
Effects of exchange rate changes on cash and cash equivalents		(321)	(251)	-	-
Cash and cash equivalents at end of the year	29	(15,961)	(19,201)	(10,433)	(2,590)

See accompanying notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

### 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 principal place of business and registered office are located at Unit 8E, Level 8, Wisma YPR, No.1, Lorong Kapar, Off Jalan Syed Putra, 58000 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 are relevant and do not have significant impacts on these financial statements**

The new amendments and improvements to published standards that are effective for the Group's and the Company's financial year beginning on or after 01 April 2016 are as follows:

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation  
 Amendment to MFRS 127 Equity Method in Separate Financial Statements  
 Amendments to MFRS 10, 12 and 128 Investment entities – Applying the Consolidation Exception  
 Amendments to MFRS 101 Presentation of financial statements – Disclosure Initiative  
 Annual Improvements to MFRS 2012 – 2014 Cycle

The adoption of the abovementioned amendments and improvements did not have a material impact on the financial statements of Group and the Company.

#### **MFRSs that are relevant which 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 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  
 Amendments to MFRS 12 Disclosure of Interest in Other Entities (Under Annual Improvements to MFRS Standards 2014 – 2016 Cycle)

#### **Effective for annual periods beginning on or after 01 January 2018**

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)  
 MFRS 15 Revenue from Contracts with Customers  
 Amendments to MFRS 140 Investment Property: Transfers of Investment Property  
 Annual Improvements to MFRS Standards 2014-2016 Cycle (Except for Amendments to MFRS 12 Disclosure Of Interest in Other Entities)

## Notes to the Financial Statements (Cont'd)

### 2. ADOPTION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS (CONT'D)

#### **Effective for annual periods beginning on or after 01 January 2019**

##### **MFRS 16 Leases**

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 MFRS 117 Leases. MFRS 16 eliminated the distinction between finance and operating leases or lessees. As off-balance sheet will no longer be allowed except for some limited practical exemptions, all leases will be brought onto the statement of financial position by recognising a "right-of-use" asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported in the statement of financial position are expected to increase substantially.

The Group and the Company are currently assessing the impact of adopting the abovementioned MFRSs and plan to adopt the said standards on the required date.

## Notes to the Financial Statements (Cont'd)

### 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, 2016 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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) *Business Combinations (Cont'd)*

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 except for buildings. The related maintenance expenditure is charged to the profit or loss.

After recognition of an asset, buildings are revalued 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. 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.

## Notes to the Financial Statements (Cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) *Property, Plant and Equipment (Cont'd)*

	Percentage (%)
Long term leasehold land	99 years
Buildings	2
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 life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (h) *Land Held for Development and Development Properties (Cont'd)*

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that 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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (o) *Financial Assets (Cont'd)*

##### **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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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 upon services rendered to the customer.

##### **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 from group travel services and tours, hotel arrangements and air ticketing are recognised upon services rendered to the customer.

##### **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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

## Notes to the Financial Statements (Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (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.

## Notes to the Financial Statements (Cont'd)

### 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.

#### **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.

## Notes to the Financial Statements (Cont'd)

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

**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.

## 5. PROPERTY, PLANT AND EQUIPMENT

GROUP 2017	← As at		Valuation/Cost Disposal/ Written off RM'000	Forex Fluctuation RM'000	→ As at	
	01.04.2016 RM'000	Additions RM'000			31.03.2017 RM'000	31.03.2017 RM'000
Building	195,449	22	-	-	195,471	
Freehold land	6,223	-	-	-	6,223	
Long term leasehold land	33,227	-	-	-	33,227	
Motor vehicles	1,833	-	(140)	56	1,749	
Motor vehicles workshop	113	-	-	-	113	
Furniture and fittings	9,640	33	(108)	70	9,635	
Office equipment	14,323	464	(1,476)	135	13,446	
Data processing equipment	4,044	71	(186)	96	4,025	
Electrical installation	1,304	25	(24)	-	1,305	
Boats	75	-	-	-	75	
Renovations	17,515	100	(79)	19	17,555	
Computer integrated systems	3,310	-	-	-	3,310	
	287,056	715	(2,013)	376	286,134	

## Notes to the Financial Statements (Cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP 2017	← Accumulated Depreciation →				Net Carrying	
	As at 01.04.2016 RM'000	Charge for the year RM'000	Disposal/ Written off RM'000	Forex Fluctuation RM'000	As at 31.03.2017 RM'000	Amount 31.03.2017 RM'000
Building	3,733	1,907	-	-	5,640	189,831
Freehold land	-	-	-	-	-	6,223
Long term leasehold land	4,150	364	-	-	4,514	28,713
Motor vehicles	1,136	222	(140)	39	1,257	492
Motor vehicles workshop	-	-	-	-	-	113
Furniture and fittings	8,295	317	(91)	30	8,551	1,084
Office equipment	9,223	411	(1,474)	151	8,311	5,135
Data processing equipment	3,384	200	(156)	87	3,515	510
Electrical installation	928	74	(24)	-	978	327
Boats	73	1	-	-	74	1
Renovations	12,332	1,309	(78)	52	13,615	3,940
Computer integrated systems	2,648	331	-	-	2,979	331
	45,902	5,136	(1,963)	359	49,434	236,700

GROUP 2016	← Valuation/Cost →						As at 31.03.2016 RM'000 As Restated
	As at 01.04.2015 RM'000 As Restated	Revaluation RM'000	Additions RM'000	Disposal/ Written off RM'000	Forex Fluctuation RM'000	Transfer/ Reclassification RM'000	
Building	199,500	(4,086)	35	-	-	-	195,449
Freehold land	6,223	-	-	-	-	-	6,223
Long term 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	(4,086)	1,339	(1,516)	176	4	287,056

## Notes to the Financial Statements (Cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP 2016	As at 01.04.2015 RM'000 As Restated		Accumulated Depreciation				Net Carrying Amount 31.03.2016 RM'000 As Restated	
	Revaluation RM'000	Charge for the year RM'000	Disposal/ Written off RM'000	Fluctuation RM'000	Forex Reclassification RM'000	Transfer/ RM'000	As at 31.03.2016 RM'000 As Restated	As at 31.03.2016 RM'000 As Restated
Building	34,137	4,201	-	-	-	-	3,733	191,716
Freehold land	-	-	-	-	-	-	-	6,223
Long term 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
	74,207	7,487	(1,343)	151	5	45,902	241,154	



## Notes to the Financial Statements (Cont'd)

## 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

(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	2017 RM'000	2016 RM'000
Buildings	116,257	120,261

(c) 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 RM0.443 million and RM0.277 million (2016: RM0.638 million and RM0.366 million) respectively.

(d) 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.

(e) Included in the Group's property, plant and equipment are certain buildings which the Group is the beneficial owner with the net carrying amount of RM12.625 million (2016: RM12.625 million).

## 6. LAND HELD FOR DEVELOPMENT AND DEVELOPMENT PROPERTIES

GROUP	2017 RM'000	2016 RM'000
Leasehold land	16,631	17,871
Freehold land	27,600	27,600
Development cost	67,650	62,525
	111,881	107,996
Less: Non-current portion, classified as land held for development	(68,252)	(67,789)
Current portion, classified as development properties	43,629	40,207

Included in the total land held for development and development properties are carrying amount of RM9.074 million (2016: RM19.617 million) which have been pledged as security for banking facilities granted to the Group as stated in Note 17 to the financial statements.

## Notes to the Financial Statements (Cont'd)

## 7. INVESTMENT PROPERTIES

GROUP	2017 RM'000	2016 RM'000
<b>Leasehold properties</b>		
<b>Cost</b>		
Beginning of the year	4,082	4,082
Addition	10	-
End of the year	4,092	4,082
<b>Accumulated Depreciation</b>		
Beginning of the year	303	264
Charge for the year	40	39
End of the year	343	303
<b>Net Carrying Amount</b>	3,749	3,779

There are no rental income derived from these investment properties.

The total direct operating expenses incurred for these investment properties are RM0.023 million (2016: RM0.021 million).

As at 31 March 2017, 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.

## Notes to the Financial Statements (Cont'd)

## 8. GOODWILL ARISING ON CONSOLIDATION

GROUP	2017 RM'000	2016 RM'000
<b>Cost</b>		
Beginning/End of the year	32,035	32,035
<b>Accumulated impairment</b>		
Beginning of the year	12,321	-
Charge for the year	-	12,321
End of the year	12,321	12,321
<b>Net Carrying Amount</b>	19,714	19,714

Impairment loss has been provided in the previous financial year due to certain economic factor.

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:

	2017 RM'000	2016 RM'000
Property development	9,927	9,927
Tourism	9,787	9,787
	19,714	19,714

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 of a period of 5 years;
- (b) The subsidiary companies will continue its operation indefinitely;
- (c) The net 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.

The key assumptions used in the computation of value in use are as follows:

	2017 %	2016 %
Net profit margin	3 - 5	3 - 5
Growth rate	5 - 10	5 - 10
Discount rate	6.85	6.85

## Notes to the Financial Statements (Cont'd)

## 9. INVESTMENT IN ASSOCIATES

GROUP	2017 RM'000	2016 RM'000
Unquoted shares, at cost	321	321
Share of attributable post acquisition loss after taxation	(316)	(300)
	5	21
<b>Represented by:</b>		
Share of net tangible assets	5	21

The details of the associated companies are as follows:

Name of Companies	Equity Interest		Country of Incorporation	Principal Activities
	2017 %	2016 %		
<b>Held by RPB Holdings (Overseas) Limited</b>				
*@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

The Group's share of revenue and net loss of associates are as follows:

	2017 RM'000	2016 RM'000
<b>Revenue</b>	390	361
Net loss for the year	(16)	(26)

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

	2017 RM'000	2016 RM'000
Non-current assets	175	191
Current assets	621	713
Current liabilities	(535)	(664)
Currency translation differences	(256)	(219)
Net tangible assets	5	21

## Notes to the Financial Statements (Cont'd)

## 10. SUBSIDIARY COMPANIES

COMPANY	2017 RM'000	2016 RM'000
Unquoted shares, at cost	37,216	37,216

The details of subsidiary companies are as follows:

Name of Companies	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
<b><u>Hotel Division</u></b>			
a) <u>Incorporated in Malaysia</u>			
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	Struck off
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

## Notes to the Financial Statements (Cont'd)

## 10. SUBSIDIARY COMPANIES (CONT'D)

Name of Companies	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
<b><u>Hotel Division</u></b>			
b) <u>Incorporated in British Virgin Islands</u>			
RPB Holdings (Overseas) Limited	100	100	Investment holding
RPB Development (BVI) Limited	-	100	Struck off
Xplonet Investments Limited	100	100	Investment company
c) <u>Incorporated in Hong Kong</u>			
*Avillion Private Collection Limited	100	100	Property marketing and management service
d) <u>Incorporated in Indonesia</u>			
*PT Avillion Indonesia	100	100	Management and advisory consultancy in hotel, property and tourism industry
<b><u>Property Division</u></b>			
<u>Incorporated in Malaysia</u>			
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

## Notes to the Financial Statements (Cont'd)

## 10. SUBSIDIARY COMPANIES (CONT'D)

Name of Companies	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
<b><u>Property Division</u></b>			
<u>Incorporated in Malaysia</u>			
Admiral Marina Berhad	80	80	Operation of a marina club including berthing facilities
ACD Project Management Services Sdn. Bhd.	80	80	Provision of project management services
Genius Field Sdn. Bhd.	80	80	Investment holding
Admiral Hill Hotel Sdn. Bhd.	80	80	Property and resort development
<b><u>Tourism Division</u></b>			
a) <u>Incorporated in Malaysia</u>			
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	Struck off
Avi Spa International Sdn. Bhd.	-	100	Struck off
b) <u>Incorporated in Singapore</u>			
*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	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
<b><u>Tourism Division</u></b>			
c) <u>Incorporated in Australia</u>			
*Australian Vacations Pty Ltd	100	100	Travel services and tours
*Reliance Travel Pty Ltd	100	100	Travel services and tours
d) <u>Incorporated in Hong Kong</u>			
*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
<b><u>Support Companies</u></b>			
<u>Incorporated in Malaysia</u>			
*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

## Notes to the Financial Statements (Cont'd)

## 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

	<b>2017</b> <b>RM'000</b>	<b>2016</b> <b>RM'000</b> <i>As Restated</i>
Revenue	11,375	10,104
Profit/(Loss) before taxation	375	(1,679)
Taxation	(19)	(7)
Net profit/(loss) for the year	356	(1,686)
Profit/(Loss) for the year allocated to NCI	64	(340)

## (b) Summarised statements of financial position

	<b>2017</b> <b>RM'000</b>	<b>2016</b> <b>RM'000</b> <i>As Restated</i>
Total assets	142,919	142,624
Total liabilities	(126,372)	(126,434)
Net assets	16,547	16,190

## (c) Summarised statements of cash flow

	<b>2017</b> <b>RM'000</b>	<b>2016</b> <b>RM'000</b>
Cash flow from operating activities	1,325	861
Cash flow from investing activities	(392)	(898)
Cash flow from financing activities	(156)	49

## Notes to the Financial Statements (Cont'd)

## 11. OTHER INVESTMENTS

GROUP	2017		2016	
	Fair/Market value RM'000	Carrying amount RM'000	Fair/Market value RM'000	Carrying amount RM'000
<b>Available-for-sale financial assets</b>				
Unquoted shares	-	-	60	60
Quoted shares	379	379	336	336
	<u>379</u>	<u>379</u>	<u>396</u>	<u>396</u>

The net carrying amount of unquoted shares is after impairment losses of RM0.060 million (2016: RM Nil).

## 12. DEFERRED AND DEVELOPMENT EXPENDITURE

GROUP	2017 RM'000	2016 RM'000
Beginning of the year	11	11
Add: Exchange differences	2	-
	<u>13</u>	<u>11</u>

## 13. DEFERRED TAXATION

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000 <i>As Restated</i>	2017 RM'000	2016 RM'000
Deferred tax assets	-	172	-	-
Deferred tax liabilities	(6,255)	(6,338)	(16)	(16)
	<u>(6,255)</u>	<u>(6,166)</u>	<u>(16)</u>	<u>(16)</u>

## Notes to the Financial Statements (Cont'd)

## 13. DEFERRED TAXATION (CONT'D)

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

Deferred Tax Assets	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Beginning of the year	172	162	-	-
Exchange differences	22	-	-	-
Recognised in profit or loss (Note 26)	(194)	10	-	-
End of the year	-	172	-	-

  

Deferred Tax Liabilities	GROUP		COMPANY	
	2017 RM'000	2016 RM'000 <i>As Restated</i>	2017 RM'000	2016 RM'000
Beginning of the year	(6,338)	(4,811)	(16)	(16)
Exchange differences	(5)	6	-	-
Revaluation surplus	-	(1,526)	-	-
Recognised in profit or loss (Note 26)	88	(7)	-	-
End of the year	(6,255)	(6,338)	(16)	(16)

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

Deferred Tax Assets - GROUP 31.03.2017	Unutilised investment tax allowances RM'000	Accelerated capital allowances RM'000	Total RM'000
Beginning of the year	861	(689)	172
Exchange differences	-	22	22
Recognised in profit or loss (Note 26)	(861)	667	(194)
End of the year	-	-	-

  

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

## Notes to the Financial Statements (Cont'd)

## 13. DEFERRED TAXATION (CONT'D)

**Deferred Tax Liabilities****- GROUP****31.03.2017**

	<b>Revaluation reserve RM'000</b>	<b>Accelerated capital allowances RM'000</b>	<b>Total RM'000</b>
Beginning of the year	(5,799)	(539)	(6,338)
Exchange differences	-	(5)	(5)
Recognised in profit or loss (Note 26)	-	88	88
End of the year	(5,799)	(456)	(6,255)

**31.03.2016****As Restated**

Beginning of the year	(4,273)	(538)	(4,811)
Exchange differences	-	6	6
Current year revaluation	(1,526)	-	(1,526)
Recognised in profit or loss (Note 26)	-	(7)	(7)
End of the year	(5,799)	(539)	(6,338)

**Deferred Tax Liabilities****- COMPANY****31.03.2017**

	<b>Accelerated capital allowances RM'000</b>	<b>Total RM'000</b>
Beginning/End of the year	(16)	(16)

**31.03.2016**

Beginning/End of the year	(16)	(16)
---------------------------	------	------

## Notes to the Financial Statements (Cont'd)

## 14. INVENTORIES

GROUP	2017 RM'000	2016 RM'000
At cost:		
Promotional items	142	455
Trading merchandise	837	726
Unsold completed properties	16,848	18,293
	17,827	19,474

Included in the unsold completed properties are 42 units (2016: 29 units) of properties which have been pledged to secure against the banking facilities as disclosed in Note 17 to the financial statements.

Inventories of RM1.588 million (2016: RM14.422 million) were recognised as expenses during the year.

## 15. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade receivables	14,475	18,240	-	-
Less: Allowance for doubtful debts	(775)	(264)	-	-
	13,700	17,976	-	-
Other receivables	15,633	39,452	10,219	24,399
Less: Allowance for doubtful debts	-	(777)	-	-
	15,633	38,675	10,219	24,399
Deposits and prepayments	1,408	1,619	1,408	1,619
	30,741	58,270	11,627	26,018

The trade and other receivables are summarised as follows:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current	22,734	58,270	3,620	26,018
Non-current	8,007	-	8,007	-
	30,741	58,270	11,627	26,018

- (a) The normal credit term of trade receivables ranging from 30 to 90 days (2016: 30 to 90 days).
- (b) The Company's other receivables consist of amount due from former related companies which is unsecured, subject to interest rate at 1.5% to 6.1% (2016: 1.5%) per annum and has fixed term of repayment. All other amounts are interest free.

## Notes to the Financial Statements (Cont'd)

## 15. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) As at 31 March 2017, the Group's trade receivables ageing are as follows:

	2017 RM'000	2016 RM'000
Neither past due nor impaired	5,193	6,568
01 to 30 days past due but not impaired	2,526	3,094
31 to 60 days past due but not impaired	324	1,249
61 to 90 days past due but not impaired	1,584	1,855
More than 91 days past due but not impaired	4,073	5,210
	<hr/>	<hr/>
Impaired	13,700 775	17,976 264
	<hr/>	<hr/>
	14,475	18,240
	<hr/>	<hr/>

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:

	2017 RM'000	2016 RM'000
Beginning of the year	264	502
Net allowance	511	(238)
	<hr/>	<hr/>
End of the year	775	264
	<hr/>	<hr/>

## 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% (2016: ranging from 1.5% to 6.85%) per annum is charged on amount owing of RM168.428 million (2016: RM168.432 million) of certain subsidiaries. All other amounts are interest free.

## Notes to the Financial Statements (Cont'd)

## 17. TERM LOANS

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total term loans	76,643	88,585	75,486	81,486
Less:				
Payable within 1 year (Note 20)	(14,875)	(12,181)	(14,000)	(6,000)
Payable after 1 year	61,768	76,404	61,486	75,486

The Company has been granted with term loans as follows:

- 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. The term loan has been fully settled during the financial year.
- 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.
- 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:

- 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. The term loan has been fully settled during the financial year.
- 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. The term loan has been fully settled during the financial year.
- 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 RM0.375 million, 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.

## Notes to the Financial Statements (Cont'd)

## 18. HIRE PURCHASE PAYABLES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Minimum payments				
- Not later than 1 year	158	149	80	64
- Later than 1 year and not later than 5 years	238	424	176	272
	396	573	256	336
Less: Future finance charges	(44)	(69)	(28)	(37)
Present value of hire purchase payables	352	504	228	299
Present value of hire purchase payables				
- Not later than 1 year	140	144	71	57
- Later than 1 year and not later than 5 years	212	360	157	242
	352	504	228	299

## 19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade payables	15,734	16,691	-	-
Other payables	5,621	10,941	213	752
Advance from certain director	3,129	-	3,129	-
	24,484	27,632	3,342	752

The normal credit term granted to the Group range from 30 to 90 days (2016: 30 to 90 days).

Advance from certain director is unsecured, interest-free and repayable on demand.

## Notes to the Financial Statements (Cont'd)

## 20. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Bank overdraft				
- Secured	32,033	38,377	10,935	11,378
- Unsecured	1,812	1,879	1,812	1,879
	33,845	40,256	12,747	13,257
Revolving credit (secured)	13,500	13,500	10,000	10,000
Term loan (secured) *				
- Current portion (Note 17)	14,875	12,181	14,000	6,000
	62,220	65,937	36,747	29,257

The above bank borrowings are secured as follows:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
i) Charged over certain property, plant and equipment of related and subsidiary companies	41,741	33,999	34,935	22,378
ii) Joint and several guarantee by the subsidiary companies	-	-	10,000	8,000

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

## 21. SHARE CAPITAL

GROUP AND COMPANY	2017 RM'000	2016 RM'000
<u>Authorised:</u>		
2,500,000 million ordinary shares with no par value (2016: par value of RM 0.20 each)		
End of the year	-	500,000
<u>Issued and fully paid up:</u>		
858,552 million ordinary shares with no par value (2016: par value of RM 0.20 each)		
Beginning of the year	171,710	171,710
Transition to no par value regime		
- Share premium reserve	19,911	-
- Share buy-back reserve	8,930	-
End of the year	200,551	171,710

The new Companies Act, 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of nominal value in share. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserve becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

## Notes to the Financial Statements (Cont'd)

## 22. RESERVES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000 <i>As Restated</i>	2017 RM'000	2016 RM'000
Non-distributable:				
Share premium reserve (Note a)	-	19,911	-	19,911
Share buy-back reserve (Note b)	-	8,930	-	8,930
Available-for-sale reserve (Note c)	(4,634)	(4,677)	-	-
Foreign currency translation reserve (Note d)	2,688	(871)	-	-
Revaluation reserve (Note e)	108,634	108,634	-	-
	106,688	131,927	-	28,841
Distributable:				
Accumulated profits/(losses) (Note f)	(14,964)	9,557	(29,084)	(14,011)
	91,724	141,484	(29,084)	14,830

- (a) Share premium reserve arose from the issues of ordinary shares in excess of the par value. For the current financial under review, this has been reclassified into share capital as required by Companies Act, 2016.
- (b) Share buy-back reserve arose pursuant to the Company's purchase of its own shares. For the current financial under review, this has been reclassified into share capital as required by Companies Act, 2016.
- (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.

## Notes to the Financial Statements (Cont'd)

## 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 RM'000	Cost of sales RM'000	Composition of cost of sales
<b>2017</b>			
Hotel and resort management	40,904	7,086	Cost of material purchased and related overheads
Properties	12,159	3,197	Development cost of properties and discount given to club members
Tours operations and other travel related services	98,435	91,732	Purchases of tours, tickets, hire of coach, fuel, maintenance and upkeep of vehicles, and other related expenses
Support	2,703	1,287	Cost of services and related expenses
	<hr/> 154,201	<hr/> 103,302	
<b>2016</b>			
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
	<hr/> 194,199	<hr/> 144,631	

## Notes to the Financial Statements (Cont'd)

## 24. LOSS FROM OPERATIONS

Loss from operations is arrived at:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000 <i>As Restated</i>	2017 RM'000	2016 RM'000
<b>After charging:</b>				
Directors' remuneration:				
- Short term benefits	2,489	3,057	1,214	1,723
- EPF contributions	216	184	134	117
Audit fees				
- Current year	291	278	15	15
- Over provision in previous year	(4)	-	-	-
Rental of office	1,415	1,465	257	281
Depreciation of property, plant and equipment	5,136	7,487	154	146
Depreciation of investment properties	40	39	-	-
Impairment losses of goodwill	-	12,321	-	-
Impairment loss of financial assets	8,741	-	8,241	-
Bad debts written off	7,218	-	-	15
Impairment losses of unquoted shares	60	-	-	-
Property, plant and equipment written off	3	-	-	-
Loss on disposal of land held for development	-	101	-	-
Lease rental	6,663	5,418	-	-
Realised loss on foreign exchange	51	104	-	-
Unrealised loss on foreign exchange	-	-	2,132	3,826
Net allowance for doubtful debts	-	(238)	-	-
Staff costs - Short term benefits	17,305	17,461	2,215	2,250
- EPF contributions	1,668	1,164	236	210
<b>And crediting:</b>				
Management fees from subsidiary companies	-	-	330	330
Gain on disposal of property, plant and equipment	41	27	56	26
Gain on disposal of land held for development	201	-	-	-
Gain on disposal of other investments	-	3	-	-
Gain on disposal of investment in associate	861	-	-	-
Interest income	639	482	4,805	4,448
Realised gain on foreign exchange	118	120	-	-

## 25. FINANCE COSTS

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Term loan interest	5,127	4,519	4,250	3,511
Overdraft interest	2,694	3,808	920	1,828
Revolving credit interest	1,037	1,137	731	850
Amortisation - Term Loan upfront free	23	129	23	129
Hire purchase interest	19	22	9	7
	8,900	9,615	5,933	6,325

## Notes to the Financial Statements (Cont'd)

## 26. TAXATION

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Corporate taxation:				
Provision for the year	1,150	918	-	-
Under/(Over) provision in previous year	260	383	-	(90)
	1,410	1,301	-	(90)
Deferred taxation:				
Origination and reversal of temporary timing differences (Note 13)	106	(3)	-	-
Tax expense/(income)	1,516	1,298	-	(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.

A reconciliation of income tax expense/(income) applicable to loss 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	
	2017 RM'000	2016 RM'000 <i>As Restated</i>	2017 RM'000	2016 RM'000
Loss before taxation	(22,941)	(27,062)	(15,073)	(9,732)
Malaysian statutory tax rate at 24%	(5,506)	(6,495)	(3,617)	(2,336)
Tax effect on different tax rate in another country	247	292	-	-
Tax effect on expenses that are not deductible for tax purposes	8,084	7,863	3,350	2,015
Income not subject to tax	(896)	(6)	(13)	(6)
Deferred tax asset not recognised	919	450	280	327
Utilisation of previously unabsorbed capital allowances and unutilised business losses and investment tax allowances	(1,592)	(1,189)	-	-
Under/(Over) provision in previous year	260	383	-	(90)
Tax expense/(income)	1,516	1,298	-	(90)

## Notes to the Financial Statements (Cont'd)

## 26. TAXATION (CONT'D)

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

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unabsorbed capital allowances	81	308	-	-
Unutilised business losses	34,605	33,522	9,242	7,764
	34,686	33,830	9,242	7,764

The above unabsorbed capital allowances and unutilised business losses 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 PER SHARE

The basic losses per share has been calculated based on the loss attributable to equity holders of the parent of RM24.521 million (2016: RM28.020 million) divided by the weighted average number of 858.552 million (2016: 858.552 million) ordinary shares.

## 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Purchase of property, plant and equipment	715	1,339	18	482
Less: Financed by hire purchase arrangements	-	(356)	-	(356)
	715	983	18	126

## 29. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed and call deposits	12,808	16,547	-	8,230
Cash and bank balances	5,076	4,508	2,314	2,437
Bank overdrafts	(33,845)	(40,256)	(12,747)	(13,257)
	(15,961)	(19,201)	(10,433)	(2,590)

Included in the Group's and in the Company's fixed and call deposits are Authorised Depository with the financial institution amounting to RMNil (2016: RM8.230 million). During the current financial year, the said Authorised Depository has been fully impaired due to uncertainty of its recoverability.

## Notes to the Financial Statements (Cont'd)

## 30. CONTINGENT LIABILITIES

As at 31 March 2017, the Group and the Company have contingent liabilities as follows:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
a) Corporate guarantees given by the Company to banks and suppliers for credit facilities granted to the subsidiary companies	-	-	40,666	46,484
b) Secured bank guarantees issued to third parties in the ordinary course of business	7,999	9,494	1,235	1,242
	<u>7,999</u>	<u>9,494</u>	<u>41,901</u>	<u>47,726</u>

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.

	2017 RM'000	2016 RM'000
<b>GROUP</b>		
<b>a) Services rendered to the companies controlled by certain directors</b>		
Reliance College Sdn. Bhd. (Incorporated in Malaysia)	-	5
Relvest Management Services Sdn. Bhd. (Incorporated in Malaysia)	-	14
PYO Travel Pte Limited (Incorporated in Singapore)	14	12
Vacation Asia Holdings Sdn. Bhd. (Incorporated in Malaysia)	909	2,078
<hr/>		
<b>b) Services rendered by the companies controlled by certain directors</b>		
Relvest Management Services Sdn. Bhd. (Incorporated in Malaysia)	59	232
Vacation Asia International Sdn. Bhd. (Incorporated in Malaysia)	126	642
Vacation Asia Holdings Sdn. Bhd. (Incorporated in Malaysia)	-	19
<hr/>		
<b>c) Purchases from the company controlled by certain directors</b>		
Reliance Shipping & Travel Agencies Sdn. Berhad (Incorporated in Malaysia)	12	20
Reliance Sightseeing Sdn. Bhd. (Incorporated in Malaysia)	59	121
Vacation Asia International Sdn. Bhd. (Incorporated in Malaysia)	207	31
PYO Travel (MY) Sdn. Bhd. (Incorporated in Malaysia)	2	2,304
<hr/>		

## Notes to the Financial Statements (Cont'd)

## 31. SIGNIFICANT RELATED PARTY TRANSACTION (CONT'D)

	2017 RM'000	2016 RM'000
<b>GROUP</b>		
<b>d) Sales to the company controlled by certain directors</b>		
Reliance Shipping & Travel Agencies Sdn. Berhad (Incorporated in Malaysia)	1,111	1,531
PYO Travel (MY) Sdn. Bhd. (Incorporated in Malaysia)	195	983
Reliance Sightseeing Sdn. Bhd. (Incorporated in Malaysia)	21	51
Layang-Layang Island Resort Sdn. Bhd. (Incorporated in Malaysia)	75	-
PYO Travel Pte Limited (Incorporated in Singapore)	495	1,300
Plan Your Own Travel Limited (Incorporated in Hong Kong)	33	-
Vacation Asia International Sdn. Bhd. (Incorporated in Malaysia)	1,283	2,414
Reliance College Sdn. Bhd. (Incorporated in Malaysia)	9	65
	<hr/>	<hr/>
<b>e) Compensation of key management personnel</b>		
Short term benefits	3,527	4,506
EPF contributions	314	349
	<hr/>	<hr/>
	3,841	4,855
	<hr/>	<hr/>
<b>COMPANY</b>		
<b>a) Interest income received from</b>		
Admiral Cove Development Sdn. Bhd. (Incorporated in Malaysia)	276	269
Admiral Marina Berhad (Incorporated in Malaysia)	590	592
Mela Lifestyle Sdn. Bhd. (Incorporated in Malaysia)	1,503	1,187
Meridian Haven Sdn. Bhd. (Incorporated in Malaysia)	1,198	1,195
Golden Envoy (M) Sdn. Bhd. (Incorporated in Malaysia)	678	837
Reliance Shipping & Travel Agencies Sdn. Berhad (Incorporated in Malaysia)	20	128
Vacation Asia Holdings Sdn. Bhd. (Incorporated in Malaysia)	254	240
	<hr/>	<hr/>
	4,519	4,448
	<hr/>	<hr/>
<b>b) Management fee received from</b>		
Admiral Cove Development Sdn. Bhd. (Incorporated in Malaysia)	60	60
Admiral Hill Hotel Sdn. Bhd. (Incorporated in Malaysia)	240	240
READ Advertising Sdn. Bhd. (Incorporated in Malaysia)	30	30
	<hr/>	<hr/>
	330	330
	<hr/>	<hr/>
<b>c) Compensation of key management personnel</b>		
Short term benefits	1,612	1,744
EPF contributions	165	147
	<hr/>	<hr/>
	1,777	1,891
	<hr/>	<hr/>

## Notes to the Financial Statements (Cont'd)

### 31. SIGNIFICANT RELATED PARTY TRANSACTION (CONT'D)

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.

There are no outstanding balances presented as at the end of the financial year, as the director which is connected to the related companies had resigned from the director of the Company. Therefore these related companies are no longer related to the Company.

### 32. OPERATING LEASES

Non-cancellable operating lease commitment – as lessee

<b>GROUP</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>
Future minimum lease payable:		
Not later than 1 year	5,790	5,748
Later than 1 year but not later than 5 years	3,914	9,704
	9,704	15,452

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 and 50 units of hotel suites for 7 years.

## Notes to the Financial Statements (Cont'd)

## 33. SEGMENT INFORMATION

31 March 2017

	Hotel Management Malaysia RM'000	Hotel Management Overseas RM'000	Property Development RM'000	Malaysia RM'000	Tourism Overseas RM'000	Support Services and Group Management RM'000	Consolidated RM'000
<b>Revenue</b>	40,323	581	12,159	-	98,435	2,703	154,201
<b>Result</b>							
Segment result	354	(326)	1,273	(7,144)	(3,943)	(13,139)	(22,925)
Share of results of associates							(16)
Loss before taxation							(22,941)
Taxation							(1,516)
Net loss for the year							(24,457)
<b>Segment Assets and Liabilities</b>							
<b>Assets</b>							
Segment assets	176,219	193	206,195	1,159	23,425	46,214	453,405
Investment in associates							5
Deferred tax assets							-
Total Group's assets							453,410
<b>Liabilities</b>							
Segment liabilities	25,315	123	6,952	1,007	18,363	97,064	148,824
Provision for taxation							52
Deferred tax liabilities							6,255
Total Group's liabilities							155,131

## Notes to the Financial Statements (Cont'd)

## 33. SEGMENT INFORMATION (CONT'D)

31 March 2016

	Hotel Management Malaysia RM'000	Hotel Management Overseas RM'000	Property Development RM'000	Malaysia RM'000	Tourism Overseas RM'000	Support Services and Group Management RM'000	Consolidated RM'000
<b>Revenue</b>	40,400	171	24,632	-	126,762	2,234	194,199
<b>Result</b>							
Segment result	(601)	(631)	(2,975)	(496)	(4,351)	(17,982)	(27,036)
Share of results of associates							(26)
Loss before taxation							(27,062)
Taxation							(1,298)
Net loss for the year							(28,360)
<b>Segment Assets and Liabilities</b>							
<b>Assets</b>							
Segment assets	178,905	473	218,772	7,307	20,557	69,745	495,759
Investment in associates							21
Deferred tax assets							172
Total Group's assets							495,952
<b>Liabilities</b>							
Segment liabilities	25,964	129	12,447	29	24,001	107,907	170,477
Provision for taxation							3
Deferred tax liabilities							6,338
Total Group's liabilities							176,818

## Notes to the Financial Statements (Cont'd)

## 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	Loans and Receivables RM'000	Available- for-sale RM'000	Financial Liabilities at Amortised Cost RM'000	Total RM'000
<b>2017</b>				
<b>Financial Assets</b>				
Other investments	-	379	-	379
Trade and other receivables	30,741	-	-	30,741
Fixed and call deposits	12,808	-	-	12,808
Cash and bank balances	5,076	-	-	5,076
	48,625	379	-	49,004
<b>Financial Liabilities</b>				
Trade and other payables	-	-	24,484	24,484
Term loans	-	-	76,643	76,643
Bank overdraft	-	-	33,845	33,845
Revolving credit	-	-	13,500	13,500
Hire purchase payables	-	-	352	352
	-	-	148,824	148,824
<b>2016</b>				
<b>Financial Assets</b>				
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
<b>Financial Liabilities</b>				
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

## Notes to the Financial Statements (Cont'd)

## 34. FINANCIAL INSTRUMENTS (CONT'D)

## 34.1 Classification of financial instruments (Cont'd)

COMPANY	Loans and Receivables RM'000	Available- for-sale RM'000	Financial Liabilities at Amortised Cost RM'000	Total RM'000
<b>2017</b>				
<b>Financial Assets</b>				
Trade and other receivables	11,627	-	-	11,627
Amount due from subsidiary companies	270,893	-	-	270,893
Cash and bank balances	2,314	-	-	2,314
	284,834	-	-	284,834
<b>Financial Liabilities</b>				
Trade and other payables	-	-	3,342	3,342
Term loans	-	-	75,486	75,486
Bank overdraft	-	-	12,747	12,747
Amount due to subsidiary companies	-	-	49,478	49,478
Revolving credit	-	-	10,000	10,000
Hire purchase payables	-	-	228	228
	-	-	151,281	151,281
<b>2016</b>				
<b>Financial Assets</b>				
Trade and other receivables	26,018	-	-	26,018
Amount due from subsidiary companies	273,502	-	-	273,502
Fixed and call deposits	8,230	-	-	8,230
Cash and bank balances	2,437	-	-	2,437
	310,187	-	-	310,187
<b>Financial Liabilities</b>				
Trade and other payables	-	-	752	752
Term loans	-	-	81,486	81,486
Bank overdraft	-	-	13,257	13,257
Amount due to subsidiary companies	-	-	55,912	55,912
Revolving credit	-	-	10,000	10,000
Hire purchase payables	-	-	299	299
	-	-	161,706	161,706

## Notes to the Financial Statements (Cont'd)

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.2 Financial risk management objective and policies

The Group and the Company are mainly exposed to credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk). The Group and the Company 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 and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company'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 and the Company'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 and the Company 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.

##### 34.2.2 Liquidity risk

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company 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 and the Company can be required to pay.

## Notes to the Financial Statements (Cont'd)

## 34. FINANCIAL INSTRUMENTS (CONT'D)

## 34.2.2 Liquidity risk (Cont'd)

GROUP	Weighted Average Effective Interest Rate %	Not Later Than 1 Month or on Demand RM'000	1 Month to 3 Months RM'000		3 Months to 1 Year RM'000		Later Than 1 Year and not Later Than 5 Years RM'000		Total RM'000
			1 Month RM'000	3 Months RM'000	3 Months to 1 Year RM'000	1 Year to 5 Years RM'000	More Than 5 Years RM'000		
<b>2017</b>									
Trade payables	-	15,734	-	-	-	-	-	-	15,734
Advance from certain director	-	3,129	-	-	-	-	-	-	3,129
Term loans	5.90 to 8.50	-	2,250	12,625	52,282	9,486	-	-	76,643
Bank overdraft	8.10 to 8.95	28,745	700	700	3,700	-	-	-	33,845
Revolving credit	5.70 to 9.80	-	8,500	5,000	-	-	-	-	13,500
Hire purchase payables	2.48 to 3.00	12	35	93	212	-	-	-	352
		47,620	11,485	18,418	56,194	9,486	-	-	143,203
<b>2016</b>									
Trade payables	-	16,691	-	-	-	-	-	-	16,691
Term loans	6.15 to 8.50	-	2,331	9,850	50,918	25,486	-	-	88,585
Bank overdraft	8.35 to 8.85	37,756	200	200	2,100	-	-	-	40,256
Revolving credit	5.90 to 8.85	-	8,500	5,000	-	-	-	-	13,500
Hire purchase payables	2.48 to 3.00	12	36	96	360	-	-	-	504
		54,459	11,067	15,146	53,378	25,486	-	-	159,536

## Notes to the Financial Statements (Cont'd)

## 34. FINANCIAL INSTRUMENTS (CONT'D)

## 34.2.2 Liquidity risk (Cont'd)

COMPANY	Weighted Average Effective Interest Rate %	Not Later Than 1 Month or on Demand RM'000	1 Month to 3 Months RM'000	3 Months to 1 Year RM'000	Later Than 1 Year and not Later Than 5 Years RM'000	More Than 5 Years RM'000	Total RM'000
<b>2017</b>							
Advance from certain director	-	3,129	-	-	-	-	3,129
Term loans	5.90 to 8.50	-	2,250	11,750	52,000	9,486	75,486
Bank overdraft	8.10 to 8.95	12,747	-	-	-	-	12,747
Revolving credit	5.70 to 9.80	-	5,000	5,000	-	-	10,000
Hire purchase payables	2.48 to 3.00	6	18	47	157	-	228
		15,882	7,268	16,797	52,157	9,486	101,590
<b>2016</b>							
Term loans	6.15 to 8.50	-	-	6,000	50,000	25,486	81,486
Bank overdraft	8.35 to 8.85	13,257	-	-	-	-	13,257
Revolving credit	5.90 to 8.85	-	5,000	5,000	-	-	10,000
Hire purchase payables	2.48 to 3.00	5	14	38	242	-	299
		13,262	5,014	11,038	50,242	25,486	105,042

## Notes to the Financial Statements (Cont'd)

## 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**

2017	SGD RM'000	HKD RM'000	AUD RM'000	USD RM'000	Total RM'000
Trade and other receivables	2,064	4,694	1,828	-	8,586
Fixed and call deposits	849	9,468	-	1,938	12,255
Cash and bank balances	326	1,458	23	-	1,807
	3,239	15,620	1,851	1,938	22,648

**2016**

Trade and other receivables	2,416	5,962	2,791	-	11,169
Fixed and call deposits	-	6,046	-	1,765	7,811
Cash and bank balances	156	582	78	-	816
	2,572	12,590	2,869	1,765	19,796

**Financial Liabilities**

2017	SGD RM'000	HKD RM'000	AUD RM'000	USD RM'000	Total RM'000
Trade and other payables	3,179	7,772	490	-	11,441
Bank overdraft	-	6,921	-	-	6,921
	3,179	14,693	490	-	18,362

**2016**

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

The Company did not expose to foreign currency risk.

## Notes to the Financial Statements (Cont'd)

## 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 RM'000	HKD RM'000	AUD RM'000	USD RM'000	Total RM'000
<b>2017</b>					
Other comprehensive income	(6)	(93)	(136)	(194)	(429)
	<hr/>				
<b>2016</b>					
Other comprehensive income	538	194	(141)	(177)	414
	<hr/>				

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.

**Interest rate risk**

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

The Group and the Company 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.

## Notes to the Financial Statements (Cont'd)

## 34. FINANCIAL INSTRUMENTS (CONT'D)

## 34.2.3 Market risk (Cont'd)

**Interest rate risk (Cont'd)**

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

GROUP Financial Assets	Weighted Average Effective Interest Rate %	2017		2016	
		Fixed Rate RM'000	Floating Rate RM'000	Fixed Rate RM'000	Floating Rate RM'000
Fixed and call deposits	0.30 to 3.00	12,808	-	16,547	-
Amount due from former related companies	1.50 to 6.10	10,219	-	24,399	-
		23,027	-	40,946	-
<b>Financial Liabilities</b>					
Term loans	5.90 to 8.50	-	76,643	-	88,585
Bank overdraft	8.10 to 8.95	-	33,845	-	40,256
Revolving credit	5.70 to 9.80	-	13,500	-	13,500
Hire purchase payables	2.48 to 3.00	352	-	504	-
		352	123,988	504	142,341
<b>COMPANY Financial Assets</b>					
Fixed and call deposits	0.30 to 3.00	-	-	8,230	-
Amount due from subsidiary companies	1.50 to 6.85	168,428	-	168,432	-
Amount due from former related companies	1.50 to 6.10	10,219	-	24,399	-
		178,647	-	201,061	-
<b>Financial Liabilities</b>					
Term loans	5.90 to 8.50	-	75,486	-	81,486
Revolving credit	5.90 to 8.50	-	10,000	-	10,000
Bank overdraft	8.10 to 8.95	-	12,747	-	13,257
Hire purchase payables	2.48 to 3.00	228	-	299	-
		228	98,233	299	104,743

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 and of the Company that are not included in the abovementioned table are not subject to interest rate risks.

## Notes to the Financial Statements (Cont'd)

## 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 and of the Company which have variable interest rates at the end of the reporting period would increase the loss before tax approximately by RM1.240 million and RM0.982 million (2016: RM1.423 million and RM1.047 million) respectively. This analysis assumes that all other variables remain unchanged. A decrease in market interest rates by 1% on financial liabilities of the Group and of the Company 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 and of the company as at 31 March 2017 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.

2017	Fair value of financial instruments carried at fair value				Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>Financial Assets</b>					
Investment properties	-	-	3,768	3,768	3,749
Other investments	379	-	-	379	379
	379	-	3,768	4,147	4,128
<b>2016</b>					
<b>Financial Assets</b>					
Investment properties	-	-	3,779	3,779	3,779
Other investments	336	-	60	396	396
	336	-	3,839	4,175	4,175

**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.

## Notes to the Financial Statements (Cont'd)

## 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	
	2017 RM'000	2016 RM'000 As Restated	2017 RM'000	2016 RM'000
Bank overdrafts	33,845	40,256	12,747	13,257
Revolving credit	13,500	13,500	10,000	10,000
Hire purchase payables	352	504	228	299
Term loans	76,643	88,585	75,486	81,486
	124,340	142,845	98,461	105,042
Less: Cash and cash equivalents (excluding bank overdraft)	(17,884)	(21,055)	(2,314)	(10,667)
Net debt	106,456	121,790	96,147	94,375
Total equity	292,275	313,194	171,467	186,540
Total capital	398,731	434,984	267,614	280,915
Gearing ratio (%)	27	28	36	34

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. However, the transaction has been completed on 21 April 2017.

## Notes to the Financial Statements (Cont'd)

**37. PRIOR YEAR ADJUSTMENT**

The adjustments on the following items arose from the non-depreciation of certain buildings in the previous financial year. The effect on the financial statements of the Group are as follows:

	<b>As Previously Reported RM'000</b>	<b>As Restated RM'000</b>
Effect on the statements of the financial position:		
Property, plant and equipment	245,094	241,154
Deferred tax liabilities	4,195	6,338
Reserves	147,316	141,484
Non-controlling interests	6,191	5,940
	<hr/>	<hr/>
Effect on the statements of profit or loss:		
Administrative expenses	63,720	67,823
	<hr/>	<hr/>

**38. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

The financial statements of the Company were authorised for issue by the Board of Directors on 25 July 2017.

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

The breakdown of the accumulated profit of the Group as at 31 March 2017 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.

	<b>2017 RM'000</b>	<b>2016 RM'000 As Restated</b>
Total accumulated (losses)/profits of the Company and its subsidiary companies		
- Realised	(8,393)	16,023
- Unrealised	(6,255)	(6,166)
	<hr/>	<hr/>
	(14,648)	9,857
Total share of accumulated losses from associate companies		
- Realised	(316)	(300)
- Unrealised	-	-
	<hr/>	<hr/>
	(316)	(300)
	<hr/>	<hr/>
Total accumulated (losses)/profits as per financial statements	(14,964)	9,557
	<hr/>	<hr/>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 25<sup>th</sup> Annual General Meeting of **Reliance Pacific Berhad** will be held at the Pelita Ballroom, Level 4, Avillion Port Dickson, 3rd Mile, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan on Monday, 28 August 2017 at 10.00 a.m. for the purpose of transacting the following businesses:-

## Agenda

### As Ordinary Business

- |    |   |                              |
|----|---|------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Directors' and Auditors' Report thereon.   | Explanatory Note A           |
| 2. | To re-elect Mr See Ah Sing who retires pursuant to the Article 91 of the Company's Constitution and being eligible, has offered himself for re-election.  | Resolution 1                 |
| 3. | To re-elect the following directors who retire pursuant to the Article 98 of the Company's Constitution and being eligible, have offered themselves for re-election :-<br>a) Puan Yulina Binti Baharuddin<br>b) Dato' Faisal Zelman Bin Datuk Abdul Malik | Resolution 2<br>Resolution 3 |
| 4. | To approve the payment of Directors' fees of RM188,000 for the financial year ended 31 March 2017.  | Resolution 4                 |
| 5. | To approve the payment of Directors' fees and benefits to Non-Executive Directors up to an amount not exceeding RM310,000 from 1 April 2017 until the next Annual General Meeting   | Resolution 5                 |
| 6. | To re-appoint Messrs. AljeffriDean as Auditors of the Company and to authorize the Directors to fix their remuneration.   | Resolution 6                 |

### As Special Business

To consider and, if thought fit, to pass the following resolutions:-

- |    |  |              |
|----|--|--------------|
| 7. | Authority to Allot and Issue Shares pursuant to Section 75 of the Companies Act 2016 | Resolution 7 |
|----|--|--------------|
- "That pursuant to Section 75 of the Companies Act 2016, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being, subject always to the approvals of all the relevant regulatory authorities."

## Notice of Annual General Meeting (Cont'd)

8. Proposed Change of Company Name from "Reliance Pacific Berhad" to "Avillion Berhad" ("Proposed Change of Company Name") Special Resolution

THAT the name of the Company be and is hereby change from "Reliance Pacific Berhad" to "Avillion Berhad" with effect from the date of the Certificate of Incorporation on Change of the Name to be issued by the Companies Commission of Malaysia and that all references in the Memorandum and Articles of Association of the Company in relation to the name "Reliance Pacific Berhad" wherever the same may appear, shall be deleted and substituted with "Avillion Berhad".

AND THAT the Directors and/or Company Secretary of the Company be and are hereby authorised to give effect to the Proposed Change of Name with full power to assent to any condition, modification, variations and/or amendments as may required by the relevant authorities.

### As Other Business

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

By Order of the Board

Lee Yoong Shyuan  
(MAICSA No. 7064817)  
Company Secretary

Kuala Lumpur  
Date: 31 July 2017

### Notes

#### Information for Shareholders/Proxies

1. A member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting.
2. A member may appoint not more than 2 proxies to attend the same meeting.
3. A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend the Meeting shall have the same rights as the member to speak and vote at the Meeting. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The Form of Proxy must be signed by the appointor or by his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under hand of an officer or attorney duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
6. The Proxy Form must be deposited at the Registered Office of the Company at Unit 8E, Level 8, Wisma YPR, No. 1, Lorong Kapar, Off Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

## Notice of Annual General Meeting (Cont'd)

### Explanatory Notes

#### a) To receive and adopt the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provisions of Section 340(1)(a) of the Companies Act, 2016, does not require a formal approval of the shareholders and hence, is not put forward for voting.

#### b) Payment of Directors' fees and benefits to Non-Executive Directors

Section 230(1) of the Companies Act, 2016 which came into effect on 31 January 2017, provides among others, that the fees of Directors and any benefits payable to Directors shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the payment of Directors' fees and for benefits payable to Non-Executive Directors to be paid monthly in arrears after each month of completed service of the Directors.

#### c) Authority to Allot and Issue Shares pursuant to Section 75 of the Companies Act, 2016

The proposed resolution 7, if passed will give the Directors of the Company authority to issue and allot shares as the Directors in their discretion consider to be in the best interest of the Company, without having to convene a general meeting as it would be both time-consuming and costly to organise a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The renewal of this general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), acquisitions, working capital and/or settlement of bank facilities.

#### d) Proposed Change of Name

The proposed special resolution on the proposed change of name of the Company to Avillion Berhad is to better reflect the objectives of the Company and the Group going forward, following the major organization and key management changes.

## LIST OF TOP 10 PROPERTIES BY VALUE AS AT 31 MARCH 2017

No	Location	Description/ Existing Use	Tenure	Age of Building	Land Area (sq. ft.)	Net Book Value (RM'000)	Revaluation Date/ Date of Acquisition
<b>Avillion Hotel, Port Dickson</b>							
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	20 years	15,507 sq ft	153,470	19.08.2015
2.	H.S.(D) 12303, 15353 and 18191, 3rd Mile, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.		Leasehold (99 years expiry -2095)	19years	480,505		
3.	C.T. 2977, Lot 312, 3rd Mile, Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan	Car Parks	Freehold		124,431		
<b>Admiral Cove, Port Dickson</b>							
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)	19 years	1,076,064	65,000	22.02.2016
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	9,620	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	4,459	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	8,260	06.06.2002
<b>Port Dickson</b>							
1.	Lot 307 Geran 52795 Mukim Si Rusa Daerah Port Dickson Negeri Sembilan	Land for development	Freehold	-	145,657	10,654	02.07.2013
2.	Lot 43 & 44 Geran 76526 & 64282 Mukim Si Rusa, Daerah Port Dickson, Negeri Sembilan.	Land for development	Freehold	-	41,247	2,312	23.04.2008
3.	Lot 5823 Geeran 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

**List of Top 10 Properties by Value (Cont'd)**  
**As at 31 March 2017**

No	Location	Description/ Existing Use	Tenure	Age of Building	Land Area (sq. ft.)	Net Book Value (RM'000)	Revaluation Date/ Date of Acquisition
<b>Kuala Lumpur</b>							
1a	Geran Mukim 815, No. Lot 2694, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL	Land for development	Freehold	-	68,028	→ 22,266	31.01.2011
1b	Geran Mukim 816, No. Lot 2695, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	61,247		
1c.	Geran Mukim 814, No. Lot 2696, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	66,736		
1d	Geran Mukim 817, No. Lot 2697, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	65,337		
1e	Geran Mukim 818, No. Lot 2698, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL.	Land for development	Freehold	-	63,938		
<b>Langkawi</b>							
1	H.S.(D) 1/96, P.T. No 703, Mukim Kedawang, District of Langkawi, Kedah	Land for development	Freehold	-	502,244	22,638	27.10.2010

# ANALYSIS OF SHAREHOLDINGS

## AS AT 30 JUNE 2017

Issued and Paid-up Capital	:	RM171,710,350
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share

Size of Shareholdings	No. of Shareholders	No. of Shares held	% of Issued Capital
Less than 100	481	12,505	0.00
100 to 1,000	385	126,444	0.01
1,001 to 10,000	747	4,297,841	0.51
10,001 to 100,000	768	21,585,285	2.52
100,001 to less than 5% of issued shares	106	337,053,972	39.26
5% and above of issued shares	2	495,475,703	57.71
<b>Total</b>	<b>2,489</b>	<b>858,551,750</b>	<b>100.00</b>

### REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	Direct Interest		Indirect Interest	
		No. of Shares held	% of Issued Capital	No. of Shares held	% of Issued Capital
1.	Mazmur Capital Sdn Bhd	248,178,113	28.90	-	-
2.	See Ah Sing	-	-	248,178,113*	28.90
3.	Hedy Gan See Tong	-	-	248,178,113*	28.90
4.	Ibu Kota Developments Sdn Bhd	247,297,590	28.80	-	-
5.	Daza Holdings Sdn Bhd	-	-	247,297,590**	28.80
6.	YAB Toh Puan Mahani Binti Idris	-	-	247,297,590***	28.80
7.	Datuk Md Wira Dani Bin Abdul Daim	-	-	247,297,590***	28.80

\* Deemed interested by virtue of his and his spouse Hedy Gan See Tong's interest in Mazmur Capital Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

\*\* Deemed interested by virtue of direct interest in Ibu Kota Developments Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

\*\*\* Deemed interested by virtue of their interest in Daza Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

### DIRECTOR'S SHAREHOLDINGS

	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital	No. of Shares held	% of Issued Capital
See Ah Sing	-	-	248,178,113*	28.90

\* Deemed interested through Makmur Capital Sdn Bhd

**Analysis of Shareholdings (Cont'd)**  
**As at 30 June 2017**

**THIRTY (30) LARGEST SHAREHOLDERS**

No.	Name of Shareholders	No. of Shares held	% 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.	Prestige Avenue (M) Sdn Bhd	35,371,670	4.12
6.	Dream Cruiser Sdn Bhd	33,850,500	3.94
7.	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for EFG Private Bank (Channel Islands) Limited	28,257,187	3.29
8.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Mazmur Capital Sdn Bhd	25,700,000	2.99
9.	Gigantic Promotions Sdn Bhd	23,707,125	2.76
10.	Ibu Kota Developments Sdn Bhd	20,021,450	2.33
11.	Gigantic Promotions Sdn Bhd	18,500,000	2.15
12.	Landbelt Corporation Sdn Bhd	13,110,400	1.53
13.	M-Ocean Holdings Sdn Bhd	9,795,815	1.14
14.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Chong Yen Yin	8,228,000	0.96
15.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Chong Cheat @ Chan Chong Kiat	6,858,500	0.80
16.	Ambank (M) Berhad - Pledged Securities Account for Thong Swe Cheong	5,116,750	0.60
17.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Reliance Holdings Sdn Bhd	5,063,000	0.59
18.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Reliance Holdings Sdn Bhd	5,000,000	0.58

**Analysis of Shareholdings (Cont'd)**  
**As at 30 June 2017**

**THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)**

No.	Name of Shareholders	No. of Shares held	% of Issued Capital
19.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kan Chee Fai	4,562,300	0.53
20.	Ambank (M) Berhad - Pledged Securities Account for Dato' Gan Eng Kwong	4,281,900	0.50
21.	Ambank (M) Berhad - Pledged Securities Account for Chong Swee Choon	3,792,250	0.44
22.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – Ambank (M) Berhad for Chan Chong Cheat @ Chan Chong Kiat	3,707,075	0.43
23.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Yong Yoke Leng	3,309,500	0.37
24.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Sin Chong	3,196,100	0.37
25.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Choy Har	2,670,700	0.31
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 Chan Chong Cheat @ Chan Chong Kiat	2,170,780	0.25
28.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Yoke Leng	1,814,500	0.21
29.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chong Yen Yin	1,705,000	0.20
30.	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Yoke Leng	1,675,000	0.20
<b>Total</b>		<b>807,775,375</b>	<b>94.09</b>

This page is intentionally left blank



**RELIANCE PACIFIC BERHAD** (244521-A)  
(Incorporated in Malaysia)

# PROXY FORM

## 25<sup>th</sup> Annual General Meeting

CDS Account No.	
No. of Shares Held	

I/We \_\_\_\_\_ NRIC No: \_\_\_\_\_  
(Name in Block Letters)

of \_\_\_\_\_  
(Full Address)

being (a) member (s) of **RELIANCE PACIFIC BERHAD, HEREBY APPOINT:**

i) Name of Proxy: \_\_\_\_\_ NRIC No: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_ No. of shares Represented: \_\_\_\_\_

ii) Name of Proxy: \_\_\_\_\_ NRIC No: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_ No. of shares Represented: \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held at the Pelita Ballroom, Level 4, Avillion Port Dickson, 3rd Mile, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan on Monday, 28 August 2017 at 10.00 a.m. and at any adjournment thereof.

Please indicate your voting instructions with an "X" in the appropriate space. If no specific direction as to voting is given, the proxy will vote or abstain from voting on the resolution at his/her discretion.

No.	Resolutions	For	Against
1.	To re-elect Mr See Ah Sing who retires pursuant to the Article 91 of the Company's Constitution		
2.	To re-elect Puan Yulina Binti Baharuddin who retires pursuant to the Article 98 of the Company's Constitution		
3.	To re-elect Dato' Faisal Zelman Bin Datuk Abdul Malik who retires pursuant to the Article 98 of the Company's Constitution		
4.	To approve the payment of Directors' fees for the financial year ended 31 March 2017		
5.	To approve the payment of Directors' fees and benefits to Non-Executive Directors from 1 April 2017 until the next Annual General Meeting		
6.	To re-appoint of Messrs AljeffriDean as Auditors and to authorize the Directors to fix their remuneration		
7.	Authority to allot and issue of shares pursuant to Section 76 of the Companies' Act, 2016		
8.	Proposed Change of Company Name from "Reliance Pacific Berhad" to "Avillion Berhad"		

\_\_\_\_\_  
Signature of Shareholder or Common Seal

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017

**NOTES:-**

1. A member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting.
2. A member may appoint not more than 2 proxies to attend the same meeting.
3. A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend the Meeting shall have the same rights as the member to speak and vote at the Meeting. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple, beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The Form of Proxy must be signed by the appointer or by his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under hand of an officer or attorney duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
6. The Proxy Form must be deposited at the Registered Office of the Company at Unit 8E, Level 8, Wisma YPR, No. 1, Lorong Kapar, Off Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

Fold This Flap For Sealing

Then fold here

AFFIX  
STAMP

**Reliance Pacific Berhad**

(Company No. 244521-A)

Unit 8E, Level 8, Wisma YPR  
No. 1, Lorong Kapar, Off Jalan Syed Putra  
58000 Kuala Lumpur, Malaysia

1<sup>st</sup> fold here

**RELIANCE PACIFIC BERHAD** (244521A)

Unit 8E, Level 8, Wisma YPR,  
No 1, Lorong Kapar,  
Off Jalan Syed Putra,  
58000 Kuala Lumpur.

Tel : 03-2262 0230

Fax : 03-2262 0299