

GBH

GOH BAN HUAT BERHAD

2017
ANNUAL
REPORT

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventieth Annual General Meeting ("70th AGM") of the Company will be held at Bukit Kiara Equestrian and Country Resort, Dewan Perdana Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Wednesday, 6 September 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:-

AGENDA

1. To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note A**
2. To re-elect the following Directors retiring in accordance with Article 80 of the Company's Articles of Association:
 - (a) Mr. Poh Weng Choon; and **Ordinary Resolution 1(a)**
 - (b) En. Aminuddin Yusof Lana. **Ordinary Resolution 1(b)**
3. To re-appoint the following Directors to hold office until the conclusion of the next Annual General Meeting of the Company:- **Please refer Explanatory Note B**
 - (a) Tan Sri Dato' Tan Hua Choon; **Ordinary Resolution 2(a)**
 - (b) Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd); and **Ordinary Resolution 2(b)**
 - (c) Dato' Ismail Bin Hamzah. **Ordinary Resolution 2(c)**
4. To re-appoint PCCO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 3**
5. To approve the payment of Directors' fees in respect of the financial year ended 31 March 2017. **Ordinary Resolution 4**
6. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

By Order of the Board

Loh Poh Wah (MAICSA No. 7047338)
Secretary

Kuala Lumpur
28 July 2017

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment(s) shall be invalid.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
5. Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. The Proxy Form shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Note A

This Agenda item is meant for discussion only as the audited financial statements do not require formal approval of shareholders pursuant to Sections 248(2) and 340 (1)(a) of the Companies Act, 2016. Hence, the matter will not be put for voting.

Explanatory Note B

At the 69th AGM held on 22 September 2016, Tan Sri Dato' Tan Hua Choon, Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd) and Dato' Ismail Bin Hamzah (collectively "Directors Seeking for Re-appointment") who are above the age of 70, were re-appointed pursuant to Section 129(6) of the Companies Act 1965 to hold office until the conclusion of this AGM (70th AGM). The Directors Seeking for Re-appointment whose term of office shall end at the conclusion of this AGM, have offered themselves for re-appointment.

With the coming into force of the Companies Act 2016 on 31 January 2017, there is no age limit for directors. Hence, the Directors Seeking for Re-appointment, if re-appointed at this AGM, shall continue to hold office until the conclusion of the next AGM (71st AGM), and shall then be subject to retirement by rotation in accordance with the Company's Constitution.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Tan Hua Choon
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)
Dato' Ismail Bin Hamzah
Aminuddin Yusof Lana
Dato' Sri Tan Han Chuan
Lai Sze Pheng
Tang Tat Chun
Poh Weng Choon

(Non-Independent Non-Executive Director, Chairman)
(Independent Non-Executive Director)
(Independent Non-Executive Director)
(Independent Non-Executive Director)
(Executive Director)
(Executive Director)
(Executive Director-Finance)
(Executive Director)

AUDIT COMMITTEE

Dato' Ismail Bin Hamzah *(Chairman)*
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)
Aminuddin Yusof Lana

NOMINATION COMMITTEE

Dato' Ismail Bin Hamzah *(Chairman)*
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)

REMUNERATION COMMITTEE

Tan Sri Dato' Tan Hua Choon *(Chairman)*
Dato' Ismail Bin Hamzah

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Ismail Bin Hamzah
Fax: (03) 4043 6750

COMPANY SECRETARY

Loh Poh Wah

REGISTERED OFFICE

8-3, Jalan Segambut
51200 Kuala Lumpur, Malaysia
Tel : (03) 6195 1600
Fax : (03) 4043 6750

PRINCIPAL BANKERS

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

SHARE REGISTRARS

TRICOR INVESTOR & ISSUING HOUSE
SERVICES SDN BHD

Office:

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : (03) 2783 9299
Fax : (03) 2783 9222

Customer Service Centre:

Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

AUDITORS

PCCO PLT
(Chartered Accountants)
17, Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel : (03) 4042 1177
Fax : (03) 4041 9216

STOCK EXCHANGE LISTING

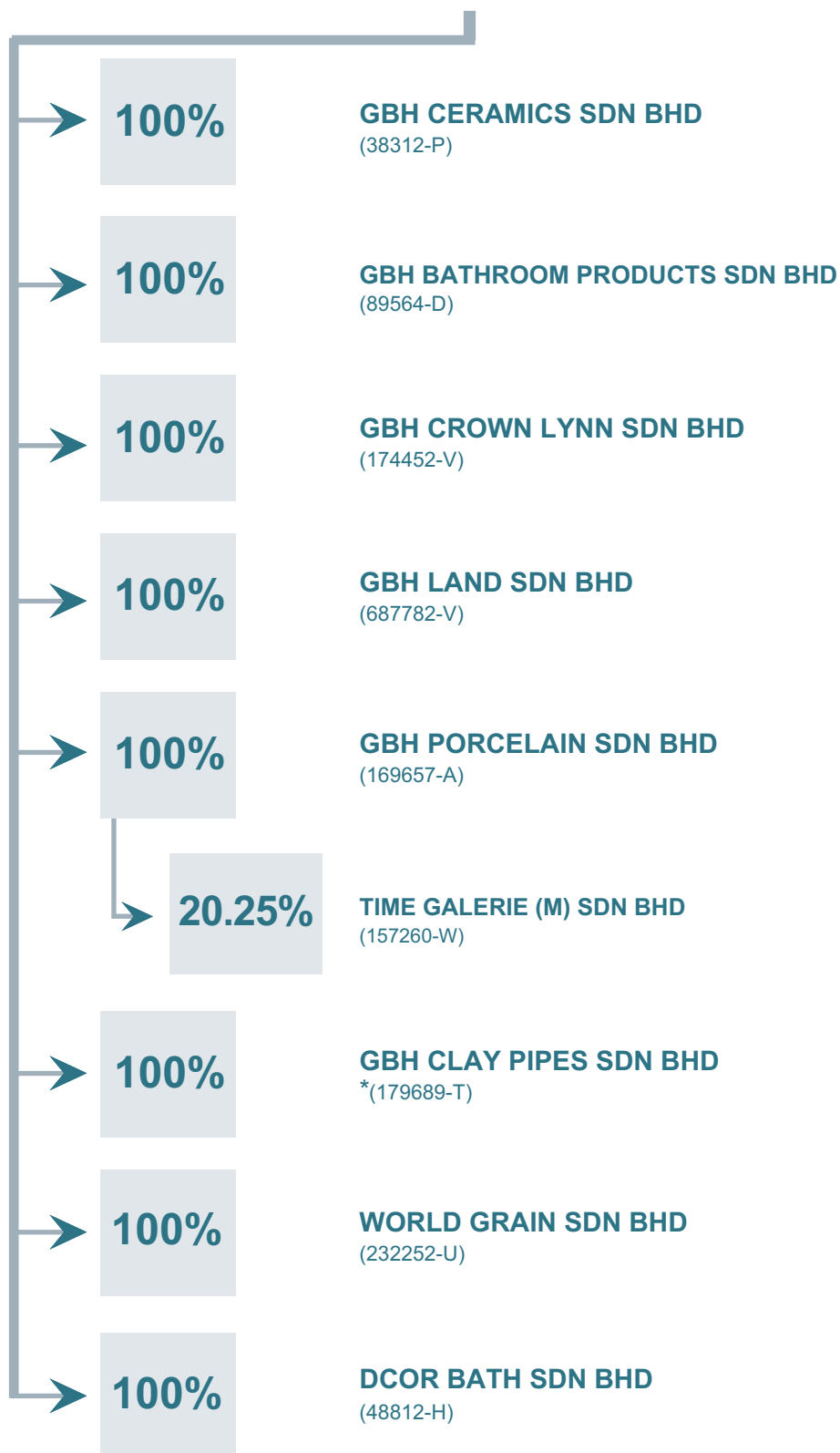
Bursa Malaysia Securities Berhad Main Market
Stock Name: GBH
Stock Code: 3611

WEBSITE

www.gbhgroup.com.my

CORPORATE STRUCTURE

GOH BAN HUAT BERHAD (1713-A)



*Dormant Company

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders

On behalf of the Board of Directors and the Management, I am pleased to present to you the annual report and performance review of the business operations of Goh Ban Huat Berhad Group for the financial year ended 31 March 2017.

GROUP FINANCIAL PERFORMANCE AND OPERATIONS REVIEW

Financial Highlights Comparison (FY2017 Vs FY2016)		
IN RM ('000)	FY2017	FY2016
Revenue	37,349	53,039
Profit Before Tax	3,110	1,063
Taxation	(1,227)	(819)
Profit After Tax	1,883	244
Minority Interest	267	(31)
Total Comprehensive Income / (Loss) Attributable to Owners of the Parent	711	(131)
Net Dividend	-	27,990
Earning Per Share (Sen) - Basic	0.87	0.15
Gross Dividend Rate Per Share (%)	-	15
Net Assets Per Share (Sen)	129	129
Shareholders' fund	240,909	240,198

Revenue for the Group has reduced by 29.6% from RM53.04 million for the financial year ended 31 March 2016 ("FY2016") to RM37.35 million for the financial year ended 31 March 2017 ("FY2017") mainly due to the completion of cessation of the clay pipes manufacturing business in the first quarter of FY2017, which business had contributed a revenue of RM33.58 million in the preceding financial year. The Group recorded a higher profit before tax of RM3.10 million in FY2017 as compared to a profit before tax of RM1.06 million in the preceding financial year, the lower profit in FY2016 was mainly attributed to the costs related to the closure of one of the clay pipes plants being incurred in that financial year.

Mainly as a result of the cessation of clay pipes business and subsequent disposal of the plant and machinery related to the business:

- the property, plant and equipment of the Group have reduced by 58.3% from RM2.11 million as at 31 March 2016 to RM0.88 million as at 31 March 2017;
- the inventories of the Group have reduced by 29.8% from RM13.96 million as at 31 March 2016 to RM9.80 million as at 31 March 2017;
- the trade and other receivables of the Group have reduced by 49.4% from RM18.05 million as at 31 March 2016 to RM9.14 million as at 31 March 2017; and
- the trade and other payables of the Group have reduced by 38.8% from RM5.46 million as at 31 March 2016 to RM3.34 million as at 31 March 2017 mainly due to the reduction of purchases for the Manufacturing segment as a result of the cessation.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Manufacturing Segment

The Manufacturing Segment's operation had completely ceased in the first quarter of the financial year ended 31 March 2017. As a result, revenue reduced by 89.5% from RM33.58 million in FY2016 to RM3.53 million in FY2017. The results of the Manufacturing business segment declined from a loss after tax of RM1.75 million (excluding an inter company debt write back) in FY2016 to a loss after tax of RM2.27 million in FY2017. The decline was mainly due to lower gross profit margin and costs related to the cessation of the business such as stock written off incurred in FY2017.

The Group has exited the clay pipes Manufacturing business following the expiry and termination of tenancies of the premises on which the plants were sited. The Board had taken the decision not to invest in a new plant elsewhere due to the high capital expenditure involved and considering that the profit margins are expected to continue come under pressure due to rising costs of natural gas and other utilities.

Trading Segment

The revenue from the Trading Segment (which consists of our sanitaryware and tableware divisions) increased significantly by 110.6% from RM15.44 million for the year ended 31 March 2016 to RM32.52 million for the year ended 31 March 2017. The increase in revenue was mainly due to the improvement in sales of the sanitaryware division which was partly contributed by our distributorship of the "Kohler" brand of sanitaryware since June 2015. The result for Trading business segment had improved significantly from loss after tax of RM2.66 million in FY2016 to profit after tax of RM0.57 million in FY2017 due to higher gross profit margin.

The Sanitaryware division which business model had been fully migrated from manufacturing to trading, has shown growth potential with improved top line revenue. Continual effort is put to further growing the sanitaryware business for both the Kohler brand and our own GBH brand aimed at increasing our market share in the mid and high end market segments.

The Trading business segment faces the challenges of being significantly impacted by the fluctuation in the foreign exchange rates due to our supplies being imported from overseas. The weakened Malaysian Ringgit in 2016/7 has impacted on our profit margin significantly. The Trading business segment also faces stiff competition from other sanitaryware distributors in the market. We envisage a challenging year ahead for the Group if such trend persists in the coming financial year.

Despite the challenging operating environment and sluggish economy in 2017, the Trading division remains focused on taking measures to improve operational efficiency and the bottom line. The Group is looking at offering a broader range of sanitaryware designs and brands to maintain its competitiveness. Besides, the Group is also planning to set up a showroom in Kuala Lumpur to increase foot traffic for the Kohler's range. The sales volume and profit margin for sanitaryware, especially from the retail market are expected to be improved gradually following the completion of the showroom.

As for our own GBH brand of sanitarywares, the Group has the intention to introduce a range of products in the coming financial year as a "fighting series" to broaden our range of sanitaryware. The Group has taken initiatives which include the widening of distribution network from 13 distributors in FY2016 to 16 in FY2017 as well as increasing the project distributors from 38 in FY2016 to 52 in FY2017. The above measures are envisaged to strengthen our market position so as to maintain competitiveness in the market.

Investment Segment

The Investment Segment mainly consists of rental of an investment property owned by the Group, long term investment in financial institution funds for which returns are tax exempt and also investment in certain quoted shares. The revenue from Investment business segment for FY2017 was RM1.30 million compared with RM4.02 million for the preceding financial year. The lower reported revenue in FY2017 was mainly due to the interest income derived from the placement of funds in financial institutions for GBH Land Sdn Bhd being classified as revenue of this segment in the preceding financial year, but such placement of fund had been subsequently uplifted.

This segment has reported profit before tax of RM2.19 million in FY2017 as compared to profit before tax of RM6.13 million in the preceding financial year. The lower profit in FY2017 was mainly because in the preceding financial year, there were dividend income of RM1.40 million from an associate company, and dividend income of RM1.04 million from a subsidiary company.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Others Segment

Group profits include share of result from our associate company, Time Galerie (M) Sdn Bhd ("Time Galerie"), which is accounted for using the equity method accounting. The share of profit in Time Galerie amounted to RM1.60 million for the financial year ended 31 March 2017 as compared to a share of profit of RM1.82 million in the preceding financial year. The lower share of profit for FY2017 was mainly due to increase in operating expenses although revenue of Time Galerie had increased by 5.8% from RM42.8 million for its 12 months' period ended 31 March 2016 to RM45.3 million for its 12 months' period end 31 March 2017. We envisage a challenging year ahead for Time Galerie as weaker consumer buying sentiment, higher operating expenses, weakening of Ringgit Malaysia against major currencies and higher inflation rate are expected to impact on its bottom line. To mitigate the unfavorable down trend in revenue and profit, Time Galerie will speed up the plan of closing non-performing outlets and the opening of new outlets with potential at shopping complexes. More aggressive advertising and promotions will be executed for Time Galerie to remain as the market leader in the retail watch industry.

PROSPECTS

Going forward, the outlook of the Group's existing businesses appears challenging in view of the sluggish global economy, higher rate of inflation, keen competition and weakening Ringgit Malaysia against other major currencies. Nevertheless, the Group remains focused on continue putting in place strategies and measures to cautiously manage its costs and operations so as to stay resilient in the face of such adversity.

Following the completion of the sale of the Group's properties, the Board has been continually and diligently looking for new businesses and assessing available opportunities aimed at investing in businesses which could bring reasonable and sustainable returns to enhance Shareholders' value.

ACKNOWLEDGMENT

I wish to thank my fellow Board members and the Management team and staff for their contribution, commitment and loyalty; and to our valued customers, suppliers, business associates, bankers and most importantly, our shareholders, thank you for your continued support and confidence in the Group.

Tan Sri Dato' Tan Hua Choon
Chairman

PROFILE OF BOARD OF DIRECTORS

Tan Sri Dato' Tan Hua Choon

(Malaysian, Age 76)

Non-Independent Non-Executive Director, Chairman

Tan Sri Dato' Tan was appointed to the Board of GBH on 8 July 2008 as a Non-Independent Non-Executive Director. On 16 October 2009, he was re-designated to the position of Managing Director and was appointed as Chairman of the Board's Remuneration Committee. He was appointed as Chairman of the Board with effect from 15 April 2010. On 1 June 2013, Tan Sri Dato' Tan relinquished his position as Managing Director and remained as a Non-Executive Chairman.

Tan Sri Dato' Tan is a self-made businessman with vast experience in various fields and industries. He has been involved in a wide range of businesses which include manufacturing, marketing, banking, shipping, property development and trading.

He has built-up investments in numerous public listed companies. He is also the Chairman of the Board of Jasa Kita Berhad, JKG Land Berhad, Marco Holdings Berhad and FCW Holdings Berhad.

Dato' Ismail Bin Hamzah

(Malaysian, Age 71)

Independent Non-Executive Director

Dato' Ismail was appointed as an Independent Non-Executive Director of the Company on 15 January 2013. He was also appointed as Chairman of the Audit Committee and Nomination Committee, the Senior Independent Non-Executive Director and a member of the Remuneration Committee on the same date.

Dato' Ismail graduated from the University of Malaya in 1970 with a Bachelor of Economics (Honours) in Analytical Economics. He held many key positions in governmental agencies, and has many years of experience in various aspects from economics to finance. He also serves on the Board of GUH Holdings Berhad, Engtex Group Berhad, SCC Holdings Berhad and JKG Land Berhad.

Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)

(Malaysian, Age 72)

Independent Non-Executive Director

Brig. Jen. Dato' Mior was appointed as a Non-Independent Non-Executive Director of GBH on 24 September 2001. His Board position was changed to Independent Non-Executive Director on 1 October 2009. He holds a Diploma in Management Science and held the position of Director of Defence Logistics Planning at The Malaysian Armed Forces Headquarters from 1996 to 1999. He retired in 2000, with the rank of Brig. Gen. as Assistant Chief of Staff, Defence Logistics at The Malaysian Armed Forces Headquarters. He is currently also a director of Metal Reclamation Bhd as well as several other private companies.

PROFILE OF BOARD OF DIRECTORS (Cont'd)

Aminuddin Yusof Lana

(Malaysian, Age 68)

Independent Non-Executive Director

En. Aminuddin was appointed as Director of the Company and a member of the Audit Committee on 16 October 2009. He holds a Bachelor of Commerce and Administration Degree from Victoria University of Wellington, New Zealand. He is a Chartered Accountant of the New Zealand Society of Accountants and an Associate member of the Institute of Chartered Secretaries and Administrators of London and Wales.

He had previously served as Director and later Group Managing Director of Renong Berhad from 1990 to 1994 and as Director and Group Managing Director of Faber Group Berhad from 1990 to 1994. He was the Managing Director of Metacorp Berhad from 1995 to 1996. He was also the Managing Director of UEM Builders Berhad from 2000 to 2004.

Currently, he sits on the Board of PDZ Holdings Bhd, Marco Holdings Berhad and Scomi Oiltools International Limited (Bermuda).

Tang Tat Chun

(Malaysian, Age 52)

Executive Director - Finance

Mr. Tang was appointed to the Board of GBH on 28 May 2007 as a Non-Independent Non-Executive Director. He was then re-designated to the position of Executive Director - Finance on 21 May 2008.

He holds a Bachelor of Business (Accounting) from Australia and he is also a member of CPA Australia and the Malaysian Institute of Accountants. He commenced his career with Ernst & Young (Singapore office) and has held senior positions in internal audit units of several public listed companies involved in industries such as manufacturing, trading, property development and telecommunication. He is also a director of other public companies, namely, Jasa Kita Berhad, FCW Holdings Berhad and several other private companies.

Poh Weng Choon

(Malaysian, Age 66)

Executive Director

Mr. Poh was appointed to the Board of GBH on 1 October 2009. He has been in the timber industry since 1972 and has gained over 35 years of all round experience in manufacturing environment. He was the Assistant Treasurer of Malaysian Wood Industries Association and the President of Selangor & Federal Territory Timber Traders Association ("SFTTA") from 2005 until 2007. He is also a Director of GPA Holdings Berhad.

PROFILE OF BOARD OF DIRECTORS (Cont'd)

Lai Sze Pheng

(Malaysian, Age 56)

Executive Director

Mr. Lai was appointed to the Board of GBH on 30 March 2010. He holds a Bachelor of Science Degree in Business Administration from U.S.A. Upon graduation, he started his career as an auditor at Ernst & Whinney Public Accountants in 1986. He joined PDL Wylex Sdn Bhd (now known as PWE Industries Bhd) which involved in the manufacturing and distribution of electrical accessories, and held various positions during the period from 1987 to 1990.

Mr. Lai joined Hume Industries Malaysia Berhad (a member of the Hong Leong Group) in mid 1990 and held various senior positions with the last position as Chief Operating Officer. He spent 17 years with the said group, managing a diverse business in manufacturing and distribution of building materials, and has gained vast experience in both marketing and manufacturing sectors. During his tenure with Hume Industries Malaysia Berhad, he was involved in a wide range of assignment covering general management, new business development and new business set up.

In 2007, he joined Malaysian Mosaic Berhad, a company involved in the manufacturing and distribution of ceramic tiles as the Director of Sales & Marketing.

He is currently assuming the position of Executive Director in Goh Ban Huat Berhad Group, managing the day to day operations of the Group's business activities. He is also a Director of FCW Holdings Berhad and various private companies.

Dato' Sri Tan Han Chuan

(Malaysian, Age 50)

Executive Director

Dato' Sri Tan was appointed to the Board of GBH on 15 April 2010. He holds a Bachelor of Science degree in Business Administration, majoring in Finance and Operations from Boston University, U.S.A. Dato' Sri Tan joined Jasa Kita Trading Sdn Bhd, a wholly-owned subsidiary of Jasa Kita Berhad, in 1991 and has since been involved in the management of the Jasa Kita Berhad Group. He is also Director of Jasa Kita Berhad, JKG Land Berhad and various private companies.

FURTHER INFORMATION ON THE BOARD OF DIRECTORS:

- **Family Relationship**

Tan Sri Dato' Tan Hua Choon, the major shareholder of the Company, is the father of Dato' Sri Tan Han Chuan.

There is no family relationship among the other Board members.

- **Conflict of Interest**

None of the Directors have any conflict of interest with the Company.

- **Conviction of Offences**

None of the Directors have been convicted of any offence within the past 10 years, other than traffic offence, if any.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Goh Ban Huat Berhad is pleased to report on how the Group has applied the principles and guidelines set out in the Malaysian Code on Corporate Governance ("the Code") and the extent of compliance with the Corporate Governance Guide of Bursa Malaysia Securities Berhad ("Bursa Securities") towards promoting the Group's on-going growth and enhancement of shareholders' value while taking into account the interest of all stakeholders.

A. BOARD OF DIRECTORS

Board Size and Composition

Presently, the composition of the Board of Directors is comprised of eight members with a Non-Executive Chairman, four Executive Directors and three Independent Non-Executive Directors.

The Board has within it individuals drawn from varied professions and specialisation in the fields of economics, business management, sales and marketing, trading, manufacturing, finance and accounting. The profile of each member of the Board is presented on pages 9 to 11 of this Annual Report.

Board Balance

The Board has clear segregation of roles and responsibilities between the Chairman of the Board and the Executive Directors to ensure that there is a balance of power and authority in the Group.

The Board is led and guided by the Chairman of the Board who is responsible for the effective functioning of the Board. The Chairman ensures the Board fulfills its obligation set out in the Board Charter and practises good corporate governance. The Chairman conducts meetings of the Board and ensures procedural rules are followed to facilitate effective decision-making process.

The Executive Directors are tasked to oversee the conduct of businesses and operations to ensure various objectives, plans and goals of the Group are met, while keeping eye on management and organisational effectiveness at all time. The Executive Directors communicate with the Management, delegate authorities to the Management, review and monitor such delegated authorities and the implementation of policies, plans and activities carried out by the Management.

An Executive Director, Dato' Sri Tan Han Chuan is the son of the Non-Executive Chairman, Tan Sri Dato' Tan Hua Choon. Notwithstanding such relationship, the Chairman conducts meetings impartially and reviews matters raised by the Executive Directors and other Directors objectively.

The three Independent Non-Executive Directors sitting on the Board, on the other hand, play the important role of check and balance by bringing objective assessment towards the Group's business activities and strategies and to ensure that the Group adheres to good governance practices. The Board is convinced that the Independent Directors, who are independent of management and free from any business or other relationship which could interfere their exercise of independent judgement, are able and willing to act in all respect for the best interests of the Shareholders.

The Board considers its current composition with the mix of skills and expertise sufficient and optimum for it to discharge its duties and responsibilities effectively. Board members are appointed based on their experience, qualifications and suitability for the position, the Board and its Nomination Committee does not discriminate against gender, ethnicity, race, religions or age. Nevertheless, in acknowledgment of the recommendation of the Code on gender diversity, the Board encourages women candidates to submit their resume to the Nomination Committee for consideration, if deemed suitable, to fill up vacancy which may arise from time to time due to resignation or retirement of Directors or any other reasons.

Board Duties and Responsibilities

The Board is collectively responsible for the long term success of the Group. It has overall responsibility in the stewardship of the Group's strategic direction while playing an oversight role in the conduct and management of the Group's businesses and operations.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

A. BOARD OF DIRECTORS (Cont'd)

Board Duties and Responsibilities (Cont'd)

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. Details of the principal functions and responsibilities of the Board are set out in the Board Charter published in the Company's website. The summary of key responsibilities of the Board are as follows:

- Reviewing and adopting a strategic business planning for the Group.
- Overseeing the conduct of the Group's businesses and financial performance; approving annual budget for the Group and carrying out periodical reviews on the results achievements against budget.
- Ensuring a sound framework for internal controls and risks management are in place to appraise and manage risks identified within the Group.
- Overseeing the review of adequacy and integrity of the Group's system of internal controls and management information systems.
- Ensuring a sound corporate governance framework including systems for compliance with applicable laws, rules and regulations, directives and guidelines issued by the regulatory authorities.
- Overseeing the appointments and performance review of members of the Board and key management personnel, their remuneration packages; and overseeing the process of succession planning to ensure leadership continuity and business sustainability.
- Promoting a sound corporate culture within the Group which reinforces ethical values and proper behavior.
- Promoting sustainability by integrating appropriate values towards economics, environment and social considerations in the business activities of the Group.

In discharging its responsibility, the Board via its executive members, delegates day-to-day management of the Group's affairs to a team of Senior Management made up of personnel trained in various professions namely finance, human resources, sales and marketing, trading, retailing and OEM operations. The Senior Management is responsible for the implementation and execution of the decisions and policies made by the Board, managing manpower and resources for the running of day-to-day business operations.

Board Charter

The Board Charter which sets out the roles and responsibilities of the Board and its committees serves as a general statement of intent and expectation as to how the Board will discharge its duties and responsibilities. A copy of the Board Charter is made available at the Company's website at <http://www.gbhgroup.com.my>.

The Board will review its Charter as and when necessary to align with the changing environment and regulation updates affecting the Group objectives.

Code of Conduct and Ethics

The culture of proper behavior and ethical conduct by employees within the Company and the Group had been observed via employee handbooks, company's rules and regulations, system of internal controls, operating procedures, guidance from the Board and senior management and also values inferred from past practices in carrying out the business operations.

The Board has formalised and adopted a Code of Conduct to serve as a formal and explicit guide to uphold a high standard of ethical values and conducts within the Group. The Code of Conduct describes the standards of business conduct and ethical behavior for Directors and employees of the Group in the performance and exercise of their duties and responsibilities. The Code of Conduct can be found at the Company's website at www.gbhgroup.com.my.

The Board of Directors and the Company Secretary subscribe to the ethical values described in the Code of Ethics for Company Directors and Company Secretaries issued by the Companies Commission of Malaysia, which aimed to establish standards of ethical conduct for Directors based on acceptable belief and values; to uphold the spirit of social responsibility and accountability in line with the applicable legislations, regulations and guidelines; and to instil professionalism amongst the company secretaries within the tenets of morality, efficiency and administrative effectiveness.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

A. BOARD OF DIRECTORS (Cont'd)

Whistle Blowing

The Company is in the process of developing the policy and procedures for appropriate communication and feedback channels which facilitate whistle blowing. In the meantime, all employees of the Group including business associates and other stakeholders can report or disclose to the Company's Senior Independent Director any concerns about possible improprieties, unethical or illegal activities within the Group.

Board of Directors' Meetings

The Board is mindful of the importance of devoting sufficient time to carry out their responsibilities and regularly updating their knowledge and enhancing their skills. The Directors endeavour to commit sufficient time as and when required to discharge their responsibilities. To enable the Board to effectively discharge its duties and responsibilities, none of the Board members holds more than 5 directorships in public listed companies.

The Board members meet to review and discuss matters specifically reserved to the Board for decision to ensure that the direction and control of the Group is firmly in its hands. Key matters tabled at Board meetings include review and adoption of the Group's quarterly and year-end financial results, business plans, annual budget, assets acquisition, approval on major capital expenditure projects and consideration of significant financial matters, Group policies, delegated authority limits and compliance with statutory regulations and requirements affecting the Group.

There were three Board of Directors' Meetings held during the financial period ended 31 March 2017. The details of attendance of each individual Director are as follows:

Name of Directors	Date of Board Meeting			% of Attendance
	27/5/2016	24/8/2016	29/11/2016	
Tan Sri Dato' Tan Hua Choon	✓	✓	✓	100
Dato' Ismail Bin Hamzah	✓	✓	✓	100
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	✓	✓	-	66.67
Aminuddin Yusof Lana	✓	✓	✓	100
Dato' Sri Tan Han Chuan	✓	✓	✓	100
Lai Sze Pheng	✓	✓	✓	100
Tang Tat Chun	✓	✓	✓	100
Poh Weng Choon	✓	✓	✓	100

Supply of Information

All the Directors are provided with a set of Board papers consisting of the agenda and all other relevant materials prior to the Board Meetings or Committee Meetings in a timely manner seven days prior to the meeting(s) or any other time frame agreed with the Board when necessary, to ensure the Directors receive sufficient relevant information and to allow sufficient time for their detailed review and consideration so as to enable them to participate effectively in the Board's decisions. Board papers are comprehensively prepared covering aspects such as Group financial performance, business plans and proposals, quarterly result announcements, proposed policies and procedures, operational issues and updates on statutory regulations and requirements affecting the Group if any.

Besides, the Board would also be provided with texts of any corporate announcements to be released to Bursa Securities and kept informed of any new legislation, rules and regulations issued by the various regulatory authorities, where relevant. The Board would also be served on quarterly basis, notices relating to closed-periods for trading in the Company's shares pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Securities.

Whenever necessary, members of the Management or external advisers are invited to attend Board meetings to explain and clarify matters within their competencies in order for the Board to make informed decisions.

Minutes of various Board Committees meetings duly confirmed as the correct proceedings are circulated to all Board members from time to time for their notation.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

A. BOARD OF DIRECTORS (Cont'd)

Supply of Information (Cont'd)

All incoming correspondences from external parties or relevant authorities addressed to the Board of Directors as a whole or specifically to any individual director but sent to the Company's registered office, are forwarded to all Board members or the respective individual director on a timely basis.

Board Access to Management, Company Secretary, Corporate Adviser and Independent Advisers

The Directors as a full Board or in their individual capacity have access to the Management on all information relating to the Group as well as ready and unrestricted access to the advice of the Company Secretary. The Directors may also engage independent professional services, at the Company's expense, where necessary.

The Board seeks advice from the Corporate & Strategic Planning Adviser on matters relating to corporate affairs and strategic planning. The Corporate & Strategic Planning Adviser is invited to attend all meetings of the Board and the Audit Committee as well as all general meetings held from time to time.

Senior Managers are expected to provide clear and in depth information relating to the Group's business affairs whenever it is requested by the Board or its various Committees members to enable them to discharge their duties effectively to arrive at informed decisions.

The Company Secretary is suitably qualified and is a member of professional body. The Company Secretary plays a supporting role to the Board to ensure the Company's compliance with relevant laws and all applicable rules and regulations at all times. The Board is regularly updated and apprised by the Company Secretary on new legislations, regulations, guidelines and directives issued by the regulatory authorities. The Company Secretary attends all meetings of the Board and its Committees, ensures adequate and accurate records of the proceedings, and resolutions passed are properly taken and maintained in the statutory books of the Company.

Board Committees

The Board has delegated specific responsibilities to three sub-committees, namely Audit Committee, Nomination Committee and Remuneration Committee. These committees have the authority to examine and approve particular issues and/or report to the Board with recommendations. The ultimate responsibility for the final decision, however, lies with the Board.

(i) Audit Committee

The Audit Committee report is presented on pages 22 to 23 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee of GBH was established on 28 November 2005 and is delegated with specific tasks as set out in its terms of reference, a copy of which is made available at the Company's website at www.gbhgroup.com.my.

The key function of the Nomination Committee is to oversee the process of selection and assessment of Directors and to ensure Board composition and its mix of skills, experience and core competencies meet the requirements of the Group; to assist the Board in reviewing and evaluating annually the effectiveness of the Board as a whole, Board Committees and performance of individual directors; and to assess the training needs of the Directors from time to time to ensure Directors have access to continuing education programmes.

The Nomination Committee comprises the following members:

- (1) Dato' Ismail Bin Hamzah (*Independent Non-Executive Director*)
- (2) Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd) (*Independent Non-Executive Director*)

Meeting of the Nomination Committee

The Nomination Committee shall meet at least once a year. There were two Nomination Committee Meetings held during the financial year ended 31 March 2017 with full attendance of its members.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

A. BOARD OF DIRECTORS (Cont'd)

Board Committees (Cont'd)

(iii) Remuneration Committee

The Remuneration Committee was established on 28 November 2005 and is delegated with specific tasks as set out in its terms of reference.

The key functions of the Remuneration Committee is to review the remuneration packages and benefits accorded to the Executive Directors as well as the Non-Executive Directors' remunerations on an annual basis. For Executive Directors, the component parts of remuneration are structured to link rewards to corporate and individual performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Fees payable to all Directors are proposed at the Annual General Meeting for the shareholders' approval.

The Remuneration Committee comprises the following members:

- (1) Tan Sri Dato' Tan Hua Choon (*Non-Independent Non-Executive Director, Chairman*)
- (2) Dato' Ismail Bin Hamzah (*Independent Non-Executive Director*)

Meeting of the Remuneration Committee

The Remuneration Committee shall meet at least once a year. There were two Remuneration Committee Meetings held during the financial year ended 31 March 2017 with full attendance of its members.

Details of Directors' Remuneration

Details of Directors' remuneration for their services rendered to the Group for the financial year ended 31 March 2017, distinguishing between Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components are set out below:

- i. The aggregate remuneration of Directors of the Company, categorised into appropriate components are as follows:

TYPE OF REMUNERATION	EXECUTIVE DIRECTORS (RM)	NON-EXECUTIVE DIRECTORS (RM)
Fees	-	165,000
Other emoluments	-	4,000
Directors' remuneration & other emoluments	733,800	-
Bonus current year's & provision	213,540	-
Defined contribution plans	116,942	-
Total	1,064,282	169,000

- ii. The number of Directors of the Company whose total remunerations fall in each successive bands of RM50,000 are as follows:

BAND OF REMUNERATION (RM)	NUMBER OF DIRECTORS	
	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
50,000 and below	-	3
50,001 to 150,000	1	1
150,001 to 200,000	-	-
200,001 to 250,000	-	-
250,001 to 300,000	2	-
300,001 to 350,000	-	-
350,001 to 400,000	1	-

Note: None of the Directors of the Company has received remuneration from any of the subsidiary companies.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

A. BOARD OF DIRECTORS (Cont'd)

Appointments to the Board

Appointments of new Directors will first be considered and evaluated by the Nomination Committee, after which appropriate recommendations will be put forward to the Board for its consideration and approval.

Criteria adopted by the Nomination Committee in the selection process includes the candidate's background, qualification, skill, experience, time commitment; and whether the potential candidates have any conflict of interest with the Group or with any existing individual director.

In addition to the above, the criteria as set out in the Code and the MMLR with regard to the definition of Independence will also be considered in the case of appointment of independent directors.

The Company Secretary will ensure that all appointments are properly made, and that statutory and regulatory requirements are complied with.

Assessment of Board Effectiveness

The Board reviews the required mix of skills, experience, time commitment, contribution (collectively and individually), integrity, and other qualities, including core competencies which the Non-Executive Directors should bring to the Board. Individual Director who is the subject of evaluation is to abstain from such deliberation.

A formal performance evaluation is carried out on the Board as a whole, Board Committees and Individual Directors on an annual basis. The Nomination Committee sets out all the criteria of assessment in the prescribed forms designed to fulfill the respective objectives of the evaluation.

Effectiveness of the Board is assessed based on its size and structure, mix of skills, experience and qualities, effectiveness of Board meetings, frequency of Board meetings and other considerations.

In addition to the criteria above, other criteria such as nature and extent of function performed are also taken into consideration in assessing the effectiveness of the Board Committees.

Performance of individual directors is assessed based on their character, experience, level of integrity, core competencies, contributions towards Board deliberations and various meetings held and whether they have contributed sufficient time to effectively discharge their duties and responsibilities. The Executive Directors, particularly, are assessed further on their contribution towards the Group's business development and growth, their leadership and management skills, and results on any specific areas which the Executive Directors are expected to achieve.

The collective view based on ratings given by the members of Nomination Committee together with the minutes of the Nomination Committee will be tabled to the Board for notation and further consideration.

Reinforce Independence

The Board reviews the element of independence amongst its Independent Directors annually, albeit its Independent Directors fulfill the test of independence as set out in the MMLR. The Board undertakes to ensure the acts of its Independent Directors have indeed given effect to the spirit, intention and purpose of the definition of independence.

During the financial year, the Board had conducted separate assessments on the three Independent Directors of the Company and concluded that each of them had continued to fulfill the test of independence as set out in the MMLR. The Board affirms that each of the Independent Directors had exercised due care in discharging their responsibilities and had demonstrated independent judgement and brought objective and constructive views to Board deliberations and decision making. The Board is satisfied with the level of independence demonstrated by the three Independent Directors.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

A. BOARD OF DIRECTORS (Cont'd)

Reinforce Independence (Cont'd)

The Board noted the point for independent directors to serve for not more than nine years as recommended by the Code. In the case of the Company, none of the independent directors has served for more than 9 years.

Dato' Mior Azam Bin Mior Safi, who is an Independent Director, joined the Board in September 2001 as Non-Independent Non-Executive Director as representative of a substantial shareholder, LTAT. He was re-designated as an Independent Director in September 2009 when LTAT ceased to be a substantial shareholder.

Notwithstanding the above, the Board does not fix a term limit for its Independent Directors as the Board assesses the level of independence of such Directors based on the perceived credentials and ability of them to serve independently and effectively in the best interest of the shareholders rather than the length of their service tenure with the Company.

Re-election of Directors

In accordance with the Company's Constitution, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election and an election of directors shall take place each year PROVIDED ALWAYS that all Directors including the Managing Director shall retire from office at least once in each three years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

In accordance with the Company's Constitution, the directors shall have power at any time, and from time to time, appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with the Constitutions. Any director so appointed shall hold office only until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme in compliance with the MMLR.

The Directors also undergo various training programmes on a continuous basis to further enhance their skills and knowledge to assist them in discharging their duties and to keep abreast with the latest development in the marketplace.

Conferences, seminars and training programmes attended by the Directors during the financial year ended 31 March 2017 are as follows:-

Title	Area of Focus
1. Corporate Governance Breakfast Series: The Strategy, the Leadership, the Stakeholders and the Board	Corporate Governance
2. BDO Executive Briefing: Staying Ahead on Global Transfer Pricing Developments	Accounting/Business
3. Corporate Governance Breakfast Series: Future of Auditor Reporting – The Game Changer for Boardroom	Accounting/Financial Reporting
4. Advocacy sessions on Management Discussion & Analysis for CEO and CFO	Corporate Governance
5. Preparing MFRS-Compliant Financial Statement 2016	Accounting/Financial Reporting
6. MIA International Accountants Conference 2016	Accounting/Financial Reporting

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Corporate Social Responsibility

We are committed in ensuring that our operations have minimal impact on the environment as well as protecting the safety and health of all our employees and stakeholders.

The Group has developed and established occupational safety and health practices to ensure a safe working environment for our employees. The Group is also committed to implementing procedures to ensure that our operations are conducted and performed in compliance with existing laws, regulations and standards. The Group does not have diversity policy for its workforce but is committed to provide an environment where all staff, regardless of age, gender, race and religion, will have equal opportunity to perform, excel and work together in achieving organisational goals.

The flushing mechanisms in our sanitary ware products have features emphasizing water conservation, in particular the use of the dual flush system and waterless urinals. This is in line with green and water conservation initiatives promoted by the government.

B. SHAREHOLDERS

Communication with Shareholders and Investors

The Board of Directors acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such, maintains a constructive communication policy, which enables the Board and the Management to communicate effectively with the shareholders and the investing public generally. In this regard, the Board is committed in ensuring that any public disclosures regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent and broadly disseminated.

The Board observes timely release of quarterly financial results and corporate proposal announcements to the public via the Bursa Link and the press (where appropriate). Annual reports and circulars to shareholders are also despatched to the shareholders on a timely basis to ensure that shareholders have sufficient time to peruse through the documents before the relevant meeting dates.

The Company's annual report provides comprehensive information on the business performance and financial results, including Management Discussion and Analysis disclosure which provides information on performance, financial condition, risk exposure and future prospect of the Group, through the Management's eye and viewpoint. The Company's annual report also provides full disclosure of its compliance with the MMLR, the Code and financial reporting requirements.

The Group's corporate information including all announcements made to the public can also be accessible via the Company's website, www.gbhgroup.com.my

General Meetings of Shareholders

The Annual General Meeting ("AGM") of the shareholders of the Company represents the principal forum for dialogue and interaction between the Board and the shareholders, during which the shareholders are given the opportunity to raise questions pertaining to the resolutions tabled thereat or business activities of the Group as well as to communicate their expectations and concerns of the Group.

Extraordinary General Meeting ("EGM") is held as and when shareholders' approvals are required on specific matters. Notices of AGM and EGM are sent out to the shareholders within a reasonable and sufficient time frame and are published in a nationally circulated newspaper. A press conference may be held after each AGM or EGM of the Company, if necessary.

In line with the MMLR, any resolution set out in the notice of any general meeting of the Company which is intended to be moved, will be voted by poll. The Company advocates poll voting to remain consistent with the principle of "one share one vote". An independent scrutineer will be appointed to validate the votes cast at the general meetings. Announcement on poll results and outcome of the general meetings will be made to Bursa Securities after the close of business on the same day after the conclusion of the general meeting(s).

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

B. SHAREHOLDERS (Cont'd)

General Meetings of Shareholders (Cont'd)

The summary of key matters discussed at general meetings will be published onto the Company's website as soon as practicable after the conclusion of the general meeting(s).

Any query and concern pertaining to the Group may be conveyed to Dato' Ismail Hamzah, the Senior Independent Non-Executive Director of the Company via fax no. 603-4043 6750 or via the Company's website or by mail to the registered office of the Company.

C. ACCOUNTABILITY AND AUDIT

i. Financial Reporting

The aim of the Directors in relation to financial reporting is to present a clear, balanced and comprehensive assessment of the Group's position and prospects primarily through its annual financial statements and quarterly financial results to its shareholders and investing public.

In this respect, the Board is assisted by the Audit Committee in reviewing and overseeing the Group's financial reporting process to ensure correctness and adequacy before tabling the financial statements and quarterly results to the Board for further review prior to announcement or presentation to the shareholders at the AGM. The statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out on page 31 of the Annual Report.

ii. Internal Control

The Directors acknowledged their responsibility for the Group's system of internal controls covering not only on financial aspect but also operational and compliance as well as risk management.

The Statement on Risk Management & Internal Control is set out on pages 24 to 25 of this Annual Report and this provides an overview of the state of internal controls within the Group.

The Board's Audit Committee has an oversight role towards the internal audit function of the Group. The Audit Committee reviews the adequacy of the scope, function, competency and resources of the internal audit function as well as setting performance standards of the internal audit function. The Audit Committee also takes cognizance of the resignations of any members of the internal audit function, and reasons for resigning.

iii. Relationship with External Auditors

The Company maintains a transparent and professional relationship with the Company's auditors in seeking their professional advice towards ensuring compliance with the accounting standards. Key features underlying the relationships of the Auditors through the Audit Committee are described on pages 22 to 23 of this Annual Report.

The Board's Audit Committee assesses the suitability and independence of the External Auditors, and periodically benchmarks the cost and scope of the external audit engagement. The Audit Committee assesses the External Auditors based on the competence, audit quality and resource capacity provided by the External Auditors and the nature and extent of non-audit services rendered by the External Auditors.

The External Auditors had confirmed that they had been independent throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. And that a written assurance on independence of the External Auditors had been obtained during the financial year.

The External Auditors are invited to the AGM of the Company and are available to answer to Shareholders' questions with regard to the financials and contents of the audit report.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

C. ACCOUNTABILITY AND AUDIT (Cont'd)

iii. Relationship with External Auditors (Cont'd)

The External Auditors are appointed to hold office until the conclusion of the next AGM following their appointment, and will be subjected to re-appointment by the Shareholders at the said AGM. The External Auditors of the Group have been re-appointed for five consecutive years, and they have indicated their willingness and consent to accept re-appointment as Auditors of the Company at this AGM.

The External Auditors can also be engaged by the Company to perform non-audit services at a fee to be agreed upon from time to time, which services are not perceived to have any conflict with their role as the Group's External Auditors.

D. OTHER INFORMATION

In compliance with Bursa Securities MMLR

1. Non-Audit Fees

Non-audit fees incurred by the Group and by the Company during the financial year ended 31 March 2017 and payable to the external auditors and firm affiliated to the external auditors of the Company amounted to RM86,249.

2. Material Contracts Involving directors, chief executive who is not a director or major shareholders' Interests

There were no material contracts entered into by the Group which involved directors, chief executive who is not a director or major shareholders' interests during the reporting financial period ended 31 March 2017.

3. Related Party Transactions

The details of the transactions with related parties undertaken by the Group during the financial period ended 31 March 2017 are disclosed in Note 28 to the audited financial statements on pages 79 to 80 of this Annual Report.

E. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors undertake to ensure that financial statements of the Company and the Group for each financial year are drawn up in accordance with the applicable approved accounting standards of Malaysia and the applicable provision of the Companies Act 2016 so as to give a true and fair view of the Company and the Group's affairs, results and cash flow position for the financial year ended 31 March 2017.

The Directors consider that in preparing the financial statements for the financial year ended 31 March 2017, the GBH Group had used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors are also responsible for ensuring that the GBH Group keeps adequate accounting records, which disclose with reasonable accuracy the financial position of the GBH Group at any point of time. In addition, the Directors have taken steps to safeguard the assets of the GBH Group, to prevent and detect fraud and other irregularities.

AUDIT COMMITTEE REPORT

The Board of Directors of Goh Ban Huat Berhad ("GBH") is pleased to present the Report of the Board's Audit Committee ("the Audit Committee") for the financial year ended 31 March 2017 as follows:-

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are Independent Non-Executive Directors, namely Dato' Ismail Bin Hamzah who is the Chairman of the Audit Committee, Brig. Jen. Dato' Mior Bin Mior Safi and Aminuddin Yusof Lana.

The Audit Committee Members are financially literate and possess necessary skills, knowledge and experience to discharge their duties on matters under the purview of the Audit Committee.

ROLES AND RESPONSIBILITY

The Audit Committee was established to assist the Board to oversee the processes of financial reporting, audit, system of internal controls, risks management, governance and compliance.

The roles and responsibilities of the Audit Committee are set out in the terms of reference approved by the Board, which can be found at the Company's website at www.gbhgroup.com.my.

SUMMARY OF WORK AND ACTIVITIES

During the financial year ended 31 March 2017, the Audit Committee had carried out work and activities in accordance with its terms of reference, which are summarised as follows:

- a. Reviewed the quarterly financial results announcements of the Group and made suitable recommendations to the Board for approval before releasing the results to Bursa Securities and the Securities Commission.
- b. Reviewed together with the Management and the External Auditors, the audit findings in respect of the audit of the financial statements of the Group for the financial year ended 31 March 2016.
- c. Reviewed the financial statements of the Group with the external auditors for the financial year ended 31 March 2016 to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval of submission to Bursa Securities and the Securities Commission and for the presentation to the Shareholders.
- d. Reviewed for any provisions, write-offs and capital expenditures required to be made during each quarter of the financial year.
- e. Reviewed the inter-company transactions and any related/interested party transactions that may arise within the Company and the Group to ensure compliance with Approved accounting standards, Listing Requirements of Bursa Securities and requirements of other relevant authorities.
- f. Reviewed the Group's Business Plan and Budget for the financial year ended 31 March 2017 and made suitable recommendations to the Board for approval and adoption.
- g. Met with the External Auditors together with the Internal Auditors without the presence of the Executive Directors and Management Team on 27 May 2016 and 22 February 2017 to discuss on matters relating to integrity of management and financial reporting. The Audit Committee had during the discussions, confirmed with the External Auditors that there had been no issue of any fraud nor suspected fraud affecting the Group that had come to the knowledge of the Audit Committee.

AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY OF WORK AND ACTIVITIES (Cont'd)

- h. Reviewed the External Audit Planning in respect of the Group's audit exercise for the financial year ended 31 March 2017.
- i. Assessed the adequacy and effectiveness of the system of internal control in respect of the OEM Operations for the Sanitary Ware Division, Credit Control Management and Inventory Management of Bathroom Products by reviewing internal audit reports, audit findings, recommendations for improvement and management's responses thereto, and agreed actions in rectifying identified weaknesses.
- j. Reviewed related compliance issues arising from changes to the Company Law and Listing Requirements of Bursa Securities.

MEETINGS AND ATTENDANCE

There were four meetings held during the financial year ended 31 March 2017, which details of attendance of the Audit Committee Members are as follows:-

Audit Committee Members	Date of Audit Committee Meeting				% of Attendance
	27/5/2016	24/8/2016	29/11/2016	22/2/2017	
Dato' Ismail Bin Hamzah	✓	✓	✓	✓	100
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)	✓	✓	-	✓	75
Aminuddin Yusof Lana	✓	✓	✓	✓	100

The Executive Directors, Internal Audit Consultants and management team are usually invited to attend the Audit Committee Meetings.

The Audit Committee meets with the External Auditors as and when there are matters concerning audit and financial reporting of the Group for review and discussions. A separate session with the External Auditors to discuss on any others matters without the presence of the executive board members and management team is usually held on the same day of Meeting.

The records of proceedings of the Audit Committee Meetings are taken and maintained in the Minutes book. A copy of the Minutes will be distributed to members of the Audit Committee and other Board members.

INTERNAL AUDIT FUNCTION

To discharge its duties and responsibilities in maintaining a sound framework of system of internal controls and risks management, the Audit Committee is supported by an outsourced Internal Audit Function. The role of the Internal Audit Function is to provide independent and objective reports on the state of internal control, compliance to policies, procedures and statutory requirements, the extent the Group's assets are accounted for and safeguarded, and any improvements to operations, processes and control systems. These report findings together with the related recommendations are reported to the Audit Committee.

The total cost incurred for the Group's Internal Audit Function in respect of the financial year ended 31 March 2017 was RM92,000. The activity of the Internal Audit Function is detailed in the Statement on Risk Management & Internal Control on pages 24 to 25 of this Annual Report.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

In compliance with Paragraph 15.26(b) of Bursa Securities Main Market Listing Requirements and the “Statement on Risk Management & Internal Control - Guidelines for Directors of Public Listed Issuers”, the Board is committed in maintaining a sound system of risk management and internal control in conduct of its business operations and pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 March 2017.

1. Board’s Responsibility

The Board recognises its overall responsibility for the adequacy and effectiveness of the risk management framework and system of internal controls within the Group. The Board, through its Audit Committee, reviews the adequacy and effectiveness of the risk management and internal control system in relation to the internal audits conducted by an independent assurance provider during the financial year under review. The audit observations, together with management’s responses and proposed action plans are presented to the Audit Committee on a quarterly basis. In addition, the review of the internal audit reports is part of the agenda of the Board meeting.

However, the Board is equally aware that such systems and processes are designed to manage the Group’s risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance against material misstatement of financial information and records or against financial losses or fraud.

2. Risk Management Framework

The Group adopts an enterprise wide risk management approach and all the active businesses of the companies within the Group are considered and categorized in accordance with their main functional activities. This process has been in place for the financial year under review and up to the date of approval of the annual report and financial statements.

The main features of the risk management process are as follows:

- Establish the context of risk in relation to the Group’s risk appetite;
- Risk identification includes consideration of both internal and external environmental factors;
- Assess the potential impact and likelihood of the risks identified and hence their risk levels;
- Assess the adequacy and effectiveness of existing controls for risk treatment;
- Monitor and review risk mitigating measures, risk levels and emerging risks.

All the risks identified and mitigating measures are documented into a “Business Risk Profile”. The Business Risk Profile of the Group is updated on an ongoing basis and approved by the Board.

The Business Risk Profile serves as a tool for the heads of department/business unit for managing key risks applicable to their areas of business. All key risks and issues are regularly reviewed and resolved by the Management team at regular meeting. Through these mechanisms, key risks identified in the Business Risk Profile are assessed in a timely manner and control procedures are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

The Internal Audit Function reviews the effectiveness and adequacy of control procedures adopted by the company on a regular basis in mitigating the key risks identified in the Business Risk Profile. Any weaknesses noted during the audit review are reported to the Audit Committee. Through these mechanisms, the Audit Committee can be assured that the key risks of the company are regularly reviewed and appropriately managed to an acceptable level.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (Cont'd)

3. System of Internal Controls

The key elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows:

- Clearly defined organisational structure with proper delegation of responsibilities and accountability, including authorisation levels for all aspects of business operations.
- To ensure the uniformity and consistency of practices and controls within the Group, Standard Operating Procedures have been formalized and documented for the key business processes. The Standard Operating Procedures are subjected to review and improvement alongside the internal audit review of the selected area of operations.
- Business units prepare an annual business plan and budget and present it to the Board for approval. Any variances of actual performance against budget are monitored and reported on a monthly basis to Management and quarterly to the Board. Appropriate actions are devised to address any areas of concerns arising from the regular review.
- Financial results are prepared and presented to Management and to the Board and Audit Committee in a timely manner for effective monitoring and decision making.
- The Executives Directors act as the channel of communication between Board and the Management. The Executive Directors are empowered to manage the businesses of the Group and implement the Board's directives and policies.
- Appropriately qualified management personnel are responsible for the operation and monitoring of effective internal control. In addition, key job functions are properly segregated.
- Capital expenditures and investment options are referred to the Board for review and approval.
- The Group engages the services of an internal audit function which provides independent assurance on the effectiveness of the Group's system of internal controls and advise the Management on areas for improvement.
- Risk-based internal audits, i.e. focusing on key risk areas are carried out to provide independent assurance on the effectiveness and efficiency of the Group's system of internal controls and advise the management on areas for improvements.
- The Audit Committee meets at least four times a year. The Committee meets with the internal auditors and external auditors regularly to review their reports. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

Through the establishment of sound internal control, which includes monitoring reporting systems, the Board reports that the existing system of internal controls is satisfactory. No material losses have occurred during the financial year under review as a result of weakness in internal control. The board together with management continue to take measures to strengthen the control environment.

The Group's system of risk management and internal control does not apply to its associate company nonetheless the Group's interests are served through review of management accounts received on monthly basis.

4. Assurance from Management

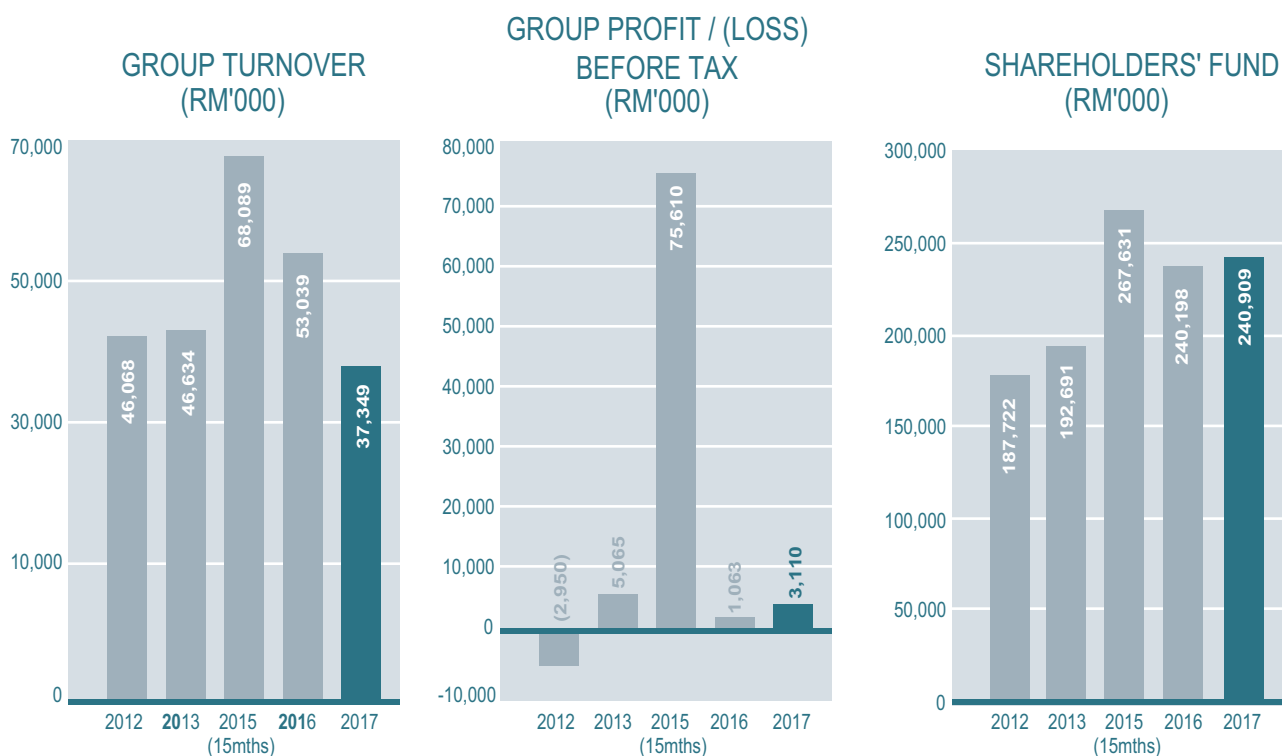
In accordance with the Statement on Risk Management & Internal Control – Guidelines for Directors of Listed issuers, the Board has received assurance from the Executive Directors that to the best of their knowledge the risk management and internal control system of the Group are operating effectively and adequately, in all material respects, based on the risk management and internal control described above.

5. Review of the statement by external auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management & Internal Control. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control system and risk management of the Group.

5-YEAR FINANCIAL HIGHLIGHTS

IN RM ('000)	2012	2013	2015 (15 mths)	2016	2017
Group Turnover	46,068	46,634	68,089	53,039	37,349
Group Profit / (Loss) Before Tax	(2,950)	5,065	75,610	1,063	3,110
Taxation	(1)	(96)	(758)	(819)	(1,227)
Group Profit / (Loss) After Tax	(2,951)	4,969	74,852	244	1,883
Minority Interest	-	-	-	(31)	267
Total Comprehensive Income / (Loss) Attributable to Owners of the Parent	(2,951)	4,969	74,784	(131)	711
Net Dividend	-	-	-	27,990	-
Earning / (Loss) Per Share (Sen) - Basic	(1.59)	2.67	40.26	0.15	0.87
Gross Dividend Rate Per Share (%)	-	-	-	15	-
Net Assets Per Share (Sen)	101	104	144	129	129
Shareholders' fund	187,722	192,691	267,631	240,198	240,909



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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the rental of properties and investment holding. The principal activities of the subsidiary companies are set out in Note 13 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year except as disclosed in Note 13 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit for the year	1,882,883	1,316,635

DIVIDENDS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

DIRECTORS

The directors in office during the financial year and up to the date of this report are:

Tan Sri Dato' Tan Hua Choon
Dato' Sri Tan Han Chuan
Brig. Jen. Dato' Mior Azam Bin Mior Safi (Rtd)
Dato' Ismail Bin Hamzah
Aminuddin Yusof Lana
Lai Sze Pheng
Tang Tat Chun
Poh Weng Choon

DIRECTORS' REPORT (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:

	As at 1/4/2016	No. of ordinary shares		As at 31/3/2017
		Bought	Sold	
The Company				
Direct interests				
Tan Sri Dato' Tan Hua Choon	119,115,680	-	-	119,115,680
	As at 1/4/2016	No. of warrants		As at 31/3/2017
		Exercised	Lapsed	
The Company				
Direct interests				
Tan Sri Dato' Tan Hua Choon	46,288,190	-	-	46,288,190
- Warrants 2010/2020				

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

The above director by virtue of his shareholdings in the Company is also deemed interested in shares of the related corporations to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration in Note 7 to the financial statement) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 28 of the financial statements of the Company.

Neither at the end of the financial year, nor at anytime during the financial year, did there subsist any arrangements to which the Company is a party, being arrangements with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in the Company or shares in, or debentures of any other body corporate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company have been written down to amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

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

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (i) any charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person; and
- (ii) any contingent liabilities in the Group or in the Company which have arisen since the end of the financial year.

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

(e) 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 or of the Company to meet their obligations as and when they fall due.

(f) In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 7 to the financial statements.

AUDITORS

The auditors, PCCO PLT, have indicated their willingness to continue in office.

On behalf of the board

TANG TAT CHUN

Kuala Lumpur
Date: 30 June 2017

LAI SZE PHENG

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 35 to 81 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of the financial performance and cash flows of the Group and of the Company for the year then ended.

In the opinion of the Directors, the information set out in Note 31 on page 81 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 Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Board

TANG TAT CHUN

LAI SZE PHENG

Kuala Lumpur
Date: 30 June 2017

STATUTORY DECLARATION

I, Tang Tat Chun, being the director responsible for the financial management of Goh Ban Huat Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 35 to 81 are 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.

TANG TAT CHUN

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 30 June 2017

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF GOH BAN HUAT BERHAD (1713-A) (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Goh Ban Huat 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 and 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 35 to 81.

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 Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matter - Inventories

Per the Group's accounting policy, inventories are valued at lower of costs and net realisable values. As explained in Note 1(d)(ii), management's assessment of percentage of write down for inventories is based on the experience and judgement of the management. The value of inventories as at 31 March 2017 is RM9,800,828.

Our audit procedures included among others are as follows:

Discussed with management to understand the methodology used for Group's inventories write down policy and the assumptions applied. We evaluated the methods of measurement and assumptions used with reference to product historical performance and current market price. We also assessed the potential risk for management bias. We tested the mathematical integrity of the value of inventories written down based on the agreed methodology. We also assessed whether the inventories are valued at lower of cost and net realisable value. We found no errors in the calculation and the methodology has no indication of management bias and is consistently applied with that adopted in prior years.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBER OF GOH BAN HUAT BERHAD (1713-A) (INCORPORATED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of 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 abilities to continue as 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBER OF GOH BAN HUAT BERHAD (1713-A) (INCORPORATED IN MALAYSIA)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's abilities to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Reporting Responsibilities

The supplementary information set out in Note 31 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.

PCCO PLT (LLP0000506-LCA)

No. AF 1056

Chartered Accountants

Kuala Lumpur

Date: 30 June 2017

TAN LI LEE

No. 2965/05/19(J)

Chartered Accountant

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 RM	2016 RM
REVENUE	6	37,348,746	53,039,002
COST OF SALES		<u>(30,394,375)</u>	<u>(42,932,399)</u>
GROSS PROFIT		6,954,371	10,106,603
OTHER INCOME		6,987,158	5,689,810
DISTRIBUTION COSTS		(2,970,827)	(6,065,483)
ADMINISTRATION EXPENSES		(8,725,286)	(9,155,931)
OTHER EXPENSES		(738,964)	(1,331,505)
SHARE OF PROFITS OF ASSOCIATED COMPANIES		<u>1,603,680</u>	<u>1,819,793</u>
PROFIT BEFORE TAXATION	7	3,110,132	1,063,287
TAXATION	8	<u>(1,227,249)</u>	<u>(819,466)</u>
PROFIT FOR THE YEAR		1,882,883	243,821
OTHER COMPREHENSIVE LOSS FOR THE YEAR NET OF TAX			
- Fair value changes in available-for-sale financial assets		<u>(905,337)</u>	<u>(406,436)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>977,546</u>	<u>(162,615)</u>
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		1,616,235	275,042
NON-CONTROLLING INTEREST		<u>266,648</u>	<u>(31,221)</u>
		<u>1,882,883</u>	<u>243,821</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		710,898	(131,394)
NON-CONTROLLING INTEREST		<u>266,648</u>	<u>(31,221)</u>
		<u>977,546</u>	<u>(162,615)</u>
EARNINGS PER SHARE (sen)			
- basic	9	<u>0.87</u>	<u>0.15</u>
- diluted	9	<u>0.79</u>	<u>0.13</u>

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	NOTE	2017 RM	2016 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	879,881	2,113,791
Investment properties	11	350,000	358,000
Intangible assets	12	3	90,636
Associated company	14	16,204,379	14,600,699
Other investments	15	55,997,445	21,885,527
		<u>73,431,708</u>	<u>39,048,653</u>
CURRENT ASSETS			
Inventories	16	9,800,828	13,958,848
Trade and other receivables	17	9,141,396	18,049,210
Tax recoverable		205,754	3,562,407
Fixed income instruments	18	3,497,256	3,410,853
Cash and cash equivalents	19	149,442,254	169,399,214
		<u>172,087,488</u>	<u>208,380,532</u>
TOTAL ASSETS		<u>245,519,196</u>	<u>247,429,185</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	20	203,162,346	186,602,833
Share premium	20	-	16,559,513
Retained profits		22,075,763	21,894,612
Other reserves	21	15,671,258	15,141,511
		<u>240,909,367</u>	<u>240,198,469</u>
NON-CONTROLLING INTEREST		<u>1,235,842</u>	<u>969,194</u>
TOTAL EQUITY		<u>242,145,209</u>	<u>241,167,663</u>
CURRENT LIABILITIES			
Trade and other payables	23	3,343,987	5,464,563
Taxation		30,000	796,959
		<u>3,373,987</u>	<u>6,261,522</u>
TOTAL LIABILITIES		<u>3,373,987</u>	<u>6,261,522</u>
TOTAL EQUITY AND LIABILITIES		<u>245,519,196</u>	<u>247,429,185</u>

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Attributable to owners of the Parent					
	Share capital RM	Share premium – non distributable RM	Capital reserve – non distributable RM	Warrant reserve – non distributable RM	Fair value adjustment – non-distributable RM	
						Non-controlling interest RM
					Retained profits RM	Total RM
						Total RM
Balance at 1 April 2015	185,912,633	16,395,676	1,118,356	14,661,198	(67,770)	267,630,503
Issuance of shares						
– Exercise of Warrants 2010/2020 (Note 20)	690,200	163,837	-	(163,837)	-	690,200
Transactions with owners						
- Non-controlling interests' contribution	-	-	-	-	-	1,000,000
- Effects of changes in stake in a subsidiary company	-	-	-	-	(415)	415
- Dividend (Note 29)	-	-	-	-	(27,990,425)	(27,990,425)
Total transactions with owners	-	-	-	-	(27,990,840)	1,000,415
Profit/(loss) for the year	-	-	-	-	275,042	(31,221)
Other comprehensive loss that may be reclassified subsequently to profit or loss:						
- Fair value changes in available - for-sale financial assets	-	-	-	-	(406,436)	-
	-	-	-	-	(406,436)	-
Total comprehensive loss	-	-	-	-	(406,436)	(31,221)
Balance at 31 March 2016	186,602,833	16,559,513	1,118,356	14,497,361	(474,206)	241,167,663

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

	Attributable to owners of the Parent						
	Share capital RM	Share premium – non distributable RM	Capital reserve – non distributable RM	Warrant reserve – non distributable RM	Fair value adjustment – non-distributable RM	Retained profits RM	Non-controlling interest RM
Balance at 1 April 2016	186,602,833	16,559,513	1,118,356	14,497,361	(474,206)	21,894,612	969,194
Transfer pursuant to Section 618 (2) of the Companies Act, 2016	16,559,513	(16,559,513)	-	-	-	-	-
Transfer (to)/from	-	-	1,435,084	-	-	(1,435,084)	-
Profit for the year	-	-	-	-	-	1,616,235	266,648
Other comprehensive loss that may be reclassified subsequently to profit or loss:							
- Fair value changes in available - for-sale financial assets	-	-	-	-	(905,337)	-	-
	-	-	-	-	(905,337)	-	-
Total comprehensive income	-	-	-	-	(905,337)	1,616,235	266,648
Balance at 31 March 2017	203,162,346	-	2,553,440	14,497,361	(1,379,543)	22,075,763	1,235,842
						240,198,469	241,167,663

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,110,132	1,063,287
Adjustments for:			
Amortisation of intangible assets		90,632	135,951
Allowance for impairment of receivables		208,142	-
Bad debts written off		-	84,952
Depreciation of property, plant and equipment		495,161	1,864,024
Depreciation of investment property		8,000	8,000
Dividend income		(320,344)	(369,787)
Impairment loss on property, plant and equipment		-	1,125,185
Income distribution from investment fund		(516,068)	(435,950)
Interest income		(5,622,140)	(5,887,267)
Inventories written down		309,831	1,308,972
Inventories written off		2,444,271	-
Loss from disposal of property, plant and equipment		1,016,444	1,577,049
Other payables written back		(1,290)	-
Profit retained in associated companies		(1,603,680)	(1,819,793)
Property, plant and equipment written off		25,083	60,318
Reversal of allowance for impairment on receivables		-	(112,069)
Reversal impairment loss on property, plant and equipment		(1,125,185)	-
Reversal of inventories written down		(2,320,875)	(399,414)
Trade payable written back		(247)	-
Loss before changes in working capital		(3,802,133)	(1,796,542)
Working capital changes:			
Inventories		3,724,793	(4,987,337)
Trade and other receivables		8,699,672	7,522,536
Trade and other payables		(2,119,039)	1,154,869
Cash inflows from operations		6,503,293	1,893,526
Interest received		5,622,140	5,887,267
Income distribution from investment fund		516,068	435,950
Dividend received		320,300	1,787,100
Tax paid		(2,081,345)	(4,739,400)
Tax refunded		3,443,790	673,415
Net cash inflows from operating activities		14,324,246	5,937,858

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 RM	2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from issuance of shares to non-controlling interests		-	1,000,000
Purchase of other investment		(516,068)	(435,950)
Dividend received		44	187
Proceeds from disposal of property, plant and equipment		990,267	4,525,540
Purchase of property, plant and equipment		(167,859)	(463,142)
(Placement)/withdrawal of fixed income instrument		(34,587,590)	7,589,147
Net cash (outflows)/inflows from investing activities		(34,281,206)	12,215,782
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(27,990,425)
Proceeds from issue of shares – exercise of warrants		-	690,200
Net cash outflows from investing activities		-	(27,300,225)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(19,956,960)	(9,146,585)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19	169,399,214	178,545,799
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	149,442,254	169,399,214

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 RM	2016 RM
REVENUE	6	455,800	515,520
OTHER INCOME		7,811,466	7,027,346
ADMINISTRATION EXPENSES		(3,603,452)	(3,347,700)
OTHER EXPENSES		(2,505,510)	(3,010,508)
PROFIT BEFORE TAXATION	7	2,158,304	1,184,658
TAXATION	8	(841,669)	(65,000)
PROFIT FOR THE YEAR		1,316,635	1,119,658
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,316,635	1,119,658
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		1,316,635	1,119,658

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	NOTE	2017 RM	2016 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	251,600	429,017
Investment properties	11	350,000	358,000
Subsidiary companies	13	27,000,002	26,800,002
Other investments	15	34,502,407	1,220
		<u>62,104,009</u>	<u>27,588,239</u>
CURRENT ASSETS			
Trade and other receivables	17	37,929,447	40,036,180
Tax recoverable		177,334	113,506
Fixed income instrument	18	3,497,256	3,410,853
Cash and cash equivalents	19	122,087,845	153,222,619
		<u>163,691,882</u>	<u>196,783,158</u>
TOTAL ASSETS		<u>225,795,891</u>	<u>224,371,397</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	20	203,162,346	186,602,833
Share premium	20	-	16,559,513
Retained profits		5,629,558	4,312,923
Other reserves	21	16,754,449	16,754,449
TOTAL EQUITY		<u>225,546,353</u>	<u>224,229,718</u>
CURRENT LIABILITIES			
Trade and other payables	23	249,538	141,679
TOTAL LIABILITIES		<u>249,538</u>	<u>141,679</u>
TOTAL EQUITY AND LIABILITIES		<u>225,795,891</u>	<u>224,371,397</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Attributable to owners of the Parent				
	Share capital RM	Share premium – non distributable RM	Capital reserve – non distributable RM	Warrant reserve – non distributable RM	Retained profits RM
Balance at 1 April 2015	185,912,633	16,395,676	2,257,088	14,661,198	31,183,690
Issuance of shares					
- Exercise of Warrants 2010/2020 (Note 20)	690,200	163,837	-	(163,837)	-
Transactions with owners					
- Dividend (Note 29)	-	-	-	-	(27,990,425)
Total transactions with owners	-	-	-	-	(27,990,425)
Profit for the year	-	-	-	-	1,119,658
Total comprehensive income	-	-	-	-	1,119,658
Balance at 31 March 2016	186,602,833	16,559,513	2,257,088	14,497,361	4,312,923
Balance at 1 April 2016	186,602,833	16,559,513	2,257,088	14,497,361	4,312,923
Transfer pursuant to Section 618 (2) of the Companies Act, 2016	16,559,513	(16,559,513)	-	-	-
Profit for the year	-	-	-	-	1,316,635
Total comprehensive income	-	-	-	-	1,316,635
Balance at 31 March 2017	203,162,346	-	2,257,088	14,497,361	5,629,558
					225,546,353

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,158,304	1,184,658
Adjustments for:			
Bad debts written off		-	52,921
Depreciation of property, plant and equipment		177,157	154,104
Depreciation of investment property		8,000	8,000
Dividend income		(44)	(1,040,186)
Impairment on investment in subsidiary companies		2,500,000	3,000,000
Interest income		(5,110,620)	(2,702,042)
Property, plant and equipment written off		260	4,562
Reversal of allowance for impairment on receivables		-	(71,021)
Reversal of impairment on investment in subsidiary companies		(2,700,000)	(3,200,000)
Loss before changes in working capital		(2,966,943)	(2,609,004)
Working capital changes:			
Trade and other receivables		159,025	158,063
Trade and other payables		107,859	(231,376)
Cash outflows from operations		(2,700,059)	(2,682,317)
Interest received		5,110,620	2,702,042
Tax paid		(905,497)	(280,754)
Tax refunded		-	89,244
Net cash inflows/(outflows) from operating activities		1,505,064	(171,785)
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of fixed income instrument		(34,501,187)	-
(Placement)/withdrawal of fixed deposit		(86,403)	7,589,147
Purchase of shares in subsidiary companies		-	(2,799,998)
Dividends received		44	1,040,186
Purchase of property, plant and equipment		-	(215,873)
Repayment from subsidiary companies		1,947,708	170,356,930
Net cash (outflows)/inflows from investing activities		(32,639,838)	175,970,392

STATEMENT OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	2017 RM	2016 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(27,990,425)
Proceeds from issue of shares – exercise of warrants		-	690,200
Repayment to subsidiary companies		-	(373,038)
		<hr/>	<hr/>
Net cash outflows from financing activities		-	(27,673,263)
		<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(31,134,774)	148,125,344
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19	<u>153,222,619</u>	<u>5,097,275</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u><u>122,087,845</u></u>	<u><u>153,222,619</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. BASIS OF PREPARATION

Goh Ban Huat Berhad is a public listed company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 June 2017.

(a) Statement of compliance

The financial statements comply with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

On 1 April 2016, the Group and the Company adopted the Amendments to published standards mandatory for annual financial periods beginning on or after 1 April 2016:

Standards/Amendments

Annual Improvements to MFRSs 2012 – 2014 Cycle as follow:

- Amendments to MFRS 7 Financial Instruments: Disclosures
- Amendments to MFRS 119 Employee Benefits
- Amendments to MFRS 134 Interim Financial Reporting

Amendments to MFRS 101 Disclosure Initiative

Amendments to MFRS 127 – Equity method in Separate Financial Statements

Amendments to MFRS 116 and MFRS 138 – Clarification of Acceptable Methods of Depreciation and Amortisation

The adoption of the above Amendments do not have any material effect on the financial statements of the Group and of the Company.

The following new MFRSs and Amendments to published standards have been issued and are relevant but are not yet effective to the Group and of the Company:

Standards/Amendments	Effective date
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Date deferred
Amendments to MFRS 12 – Disclosure of Investment in Other Entities	1 January 2017
Amendments to MFRS 107 – Disclosure Initiative	1 January 2017
Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140 – Transfer of Investment Property	1 January 2018
MFRS 15 – Revenue from Contracts with Customers	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

1. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

Standards/Amendments	Effective date
MFRS 9 – Financial Instruments (IFRS 9 as issued by IASB in July 2014) and mandatory effective date of MFRS 9	1 January 2018
MFRS 16 – Leases	1 January 2019

The initial adoption of the new MFRSs and Amendments do not have any material effect on the financial statements except for MFRS 9 and MFRS 16. Due to the complexity of these standards and their requirements, the financial effects of their adoption are still being assessed by the Group and the Company.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia which is the Group's and the Company's presentation currency. The Company's functional currency is Ringgit Malaysia.

(c) Basis of Measurement

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of trade receivables

The Group and the Company assess 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 and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivables 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. The carrying amounts of the Group's and of the Company's trade and other receivables at the reporting date are disclosed in Note 17.

(ii) Inventories write down

In estimating net realisable values, management reviews the inventories' aging and applies certain percentage of write down on those inventories and they also review the inventories' present net realisable value in the market place. The percentage of write down and net realisable value are determined based on the experience and judgement of the management team. The carrying amount at the reporting date is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

1. BASIS OF PREPARATION (Cont'd)

(d) Use of estimates and judgments (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(iii) Impairment of subsidiary companies

In determining the value-in-use of a cash-generating unit, management uses assumptions based upon past experience, current events and reasonably possible future developments. Cash flows are projected and discounted at an appropriate discount rate.

The carrying amount of subsidiary companies at the reporting date is disclosed in note 13.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the influence retained.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements except when an unrealised loss may indicate an impairment loss that requires recognition in the consolidated financial statements.

(v) Non-controlling interest

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

(b) Subsidiary companies

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group is exposed, 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. In assessing control, potential voting rights are considered 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.

In the separate financial statements of the Company, investments in subsidiaries are measured at cost less impairment losses, if any.

(c) Property, plant and equipment

All items of property, plant and equipment are initially recorded at costs.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the costs of the items can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. All other repairs and maintenance are recognised in the profit or loss as incurred.

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

Freehold land is not depreciated. Other property, plant and equipment are depreciated over their estimated useful lives on a straight-line basis at the following annual rates:

	%
Freehold buildings	2 – 4
Plant and machinery	2 – 10
Equipment, furniture and fittings, renovation and motor vehicles	5 – 50

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Property, plant and equipment (Cont'd)

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

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

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

(d) Inventories

Inventories are valued at the lower of costs and net realisable values.

Costs of goods for resale, raw materials and consumables comprise the original costs of purchase and the costs of bringing the inventories to their present locations and conditions. Cost of finished goods and work-in-progress comprise direct materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity. Cost is determined either on "first in, first out" or "weighted average" basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

(e) Foreign currencies

For each entity in the Group, transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period. Non-monetary items carried at fair values or at revalued amounts that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

(f) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years.

Where an indication of impairment exists, the carrying amount of the assets is assessed and written down immediately to its recoverable amount.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Taxes

Tax charged on the profit or loss for the year comprises current and deferred taxes. Current year tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax liabilities and assets are provided for under the liability method in respect of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unused tax losses and capital allowances. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

(h) Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over their estimated useful lives on a straight-line basis of 20%.

Where an indication of impairment exists, the carrying amount of the assets is assessed and written down immediately to its recoverable amount.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed annually.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the entity and the revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyers.

Interest income is recognised using the effective interest method.

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

Rental income from operating lease is recognised on straight-line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Impairment of assets

The carrying amounts of the Group's and Company's assets other than inventories, deferred tax assets and financial assets (except those measured at fair value through profit or loss and investment in subsidiaries and associates), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the profit or loss immediately. All reversals of an impairment loss are recognised as income immediately in the profit or loss.

(k) Financial assets

The Group and the Company shall recognise a financial asset on their statements of financial position when the entity becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all their risks and rewards of ownership of the financial assets.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

At the time of initial recognition, financial assets are classified into the following specified categories: 'fair value through profit or loss, held-to-maturity investments, available-for-sale and loans and receivables'. The classification depends on the purpose of the financial asset.

(i) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;
- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates and that the Group and the Company has positive intention and ability to hold to maturity.

(iii) Loans and receivables

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

(iv) Available-for-sale financial assets ("AFS")

AFS are non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or FVTPL.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Financial assets (Cont'd)

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

FVTPL and AFS are subsequently carried at fair value. Held-to-maturity investments and loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in fair value from FVTPL are recognised in profit or loss.

Gains or losses arising from changes in fair value from AFS are recognised directly in equity.

Gains or losses from financial assets carried at amortised costs are recognised through profit or loss.

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced directly through use of an allowance account. The amount of the loss is recognised in profit or loss. If there is reversal of previously recognised impairment loss, it is reversed either directly or by adjusting an allowance account. The reversal shall not result in carrying amount of the financial assets exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment loss is reversed. The amount of reversal is recognised in profit or loss.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss.

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

(l) Financial liabilities

The Group and the Company shall recognise a financial liability on their statements of financial position when the entity becomes a party to the contractual provisions of the instruments.

Financial liabilities are derecognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Financial liabilities (Cont'd)

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

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;
- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

(ii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as financial liabilities at FVTPL.

Other financial liabilities are initially recognised at fair value plus transactions costs. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the profit or loss.

Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Financial liabilities at FVTPL are measured at fair value except for derivatives liability that are linked to and must be settled by delivery of such unquoted equity instruments whose fair value cannot be reliably measured are measured at cost.

Gains or losses arising from changes in fair value from financial liabilities classified at FVTPL are recognised in profit or loss.

Gains or losses from other financial liabilities carried at amortised costs are recognised through profit or loss.

(m) Derivative financial instruments

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently re-measured at their fair value at the end of each reporting period. The method of recognising gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

An embedded derivative shall be separated from the host contract and accounted for as a separate derivative if:

- (i) the risks and characteristics of the embedded derivative are not closely related to the economic characteristics and risks of the host contracts;
- (ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (iii) the hybrid instrument is not measured at fair value with changes in fair value recognised in profit or loss.

(n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Share capital

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and the Company.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

(q) Lease

(i) Classifications

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases – the Group and the Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expenses over the lease term on a straight-line basis.

(iii) Operating leases – the Group as lessor

Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(r) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Earning per share ("EPS")

Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(t) Fair value measurement

For assets, liabilities and equity instruments (whether financial or non-financial items) that require fair value measurement or disclosure, the Group and the Company establish a fair value measurement hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. This fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is classified as a Level 1 measurement if it is estimated using a quoted price in a active market. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Group and the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of Level 1 inputs, a fair value measurement of an item is classified as a Level 2 measurement if it is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

In the absence of both Level 1 and Level 2 inputs, a fair value measurement of an item is classified as a Level 3 measurement if it is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions.

(u) Associated company

An associate is an entity over which the Group or Company has significant influence. 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.

The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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

In the separate financial statements of the Company, investment in associated company is stated at cost less impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Dividend

Dividends on ordinary shares are recognised as liabilities when the obligation to pay is established.

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend has been appropriately authorised. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the reporting date and on the settlement date, the Group and the Company review the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Group and the Company settle the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's operating, investing and financing activities expose the Group and the Company to market risk, credit risk and liquidity risk. The Group's and the Company's overall risk management programme is to focus on minimising the potential adverse effects on the Group's and the Company's financial performance.

The Board of Directors review and agree policies and procedures for the management of these risks. The Audit Committee also provides independent oversight to the effectiveness of the risk management process.

(a) Market risk

(i) Foreign currency risk management

The Group is exposed to foreign risk primarily arising from Renmimbi (RMB) and US Dollar (USD).

During the year, there is no formal hedging policy with respect to foreign exchange risk exposure. The Group monitors its foreign exchange risk exposure on an on-going basis and endeavour to keep the net exposure at an acceptable level.

At the reporting date, the Group's profit and equity is not materially affected by the movement in foreign exchange rate of foreign currencies.

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks and fixed income instruments.

The Group's and the Company's exposure to interest rate risk is minimum because their interest bearing fixed deposits and fixed income instruments are at fixed rate. Thus any change to the interest rate have immaterial effect to the profit and equity.

(iii) Market price risk management

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

The Group is exposed to equity price risk arising from its investment in quoted equity instruments and investment fund.

Sensitivity analysis for market price risk

At the reporting date, if the market price had been 5% higher, the Group's profit and equity would have been RM1,072,016 higher. A 5% lower market price would have had equal but opposite effect on Group's profit and equity.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

For banks and financial institutions, only major banks are accepted.

The Group's and Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

For customer, credit control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set and approved by authorized personnel and credit limits are regularly monitored.

As at the reporting date, the Group has no significant concentration of credit risk, whereas 99% (2016: 99%) of the Company's receivables were due from a subsidiary company.

(c) Liquidity risk management

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables and loans.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company monitor and maintain sufficient levels of cash and cash equivalents deemed adequate by management to ensure as far as possible that they will have sufficient liquidity to meet their liabilities when they fall due.

	Within 1 year RM
GROUP	
As at 31 March 2017	
Non-derivative financial liabilities	
Trade and other payables	3,343,987
Bank guarantee given to third parties	<u>6,286,900</u>
As at 31 March 2016	
Non-derivative financial liabilities	
Trade and other payables	5,464,563
Bank guarantee given to third parties	<u>2,234,250</u>
COMPANY	
As at 31 March 2017	
Non-derivative financial liabilities	
Trade and other payables	249,538
Corporate guarantee given to subsidiaries' suppliers	2,212,500
Corporate guarantee given to a subsidiary company	<u>8,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Liquidity risk management (Cont'd)

	Within 1 year RM
COMPANY	
As at 31 March 2016	
Non-derivative financial liabilities	
Trade and other payables	141,679
Corporate guarantee given to subsidiaries' suppliers	465,454
Corporate guarantee given to a subsidiary company	<u>8,000,000</u>

4. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's capital management is dependent on capital requirements of the business or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Company's structure. As at 31 March 2017, the Company has no external borrowings. As a result, the Company does not set a policy on maintaining its capital structure at a specific gearing ratio.

The Group and the Company are not subject to any externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS BY CATEGORIES AND THEIR FAIR VALUE ESTIMATIONS

FINANCIAL INSTRUMENTS BY CATEGORIES

	2017 RM	2016 RM
GROUP		
Financial assets		
Loans and receivables		
- Trade and other receivables excluding prepayments	8,930,335	17,992,156
- Cash and cash equivalents	149,442,254	169,399,214
- Fixed income instruments	37,998,443	3,410,853
Available-for-sale financial assets		
- Unquoted shares at cost less impairment	53,700	53,700
- Quoted shares	7,910,300	8,845,700
- Investment fund	13,530,019	12,983,888
Financial assets at fair value through profit or loss (FVTPL)		
- Quoted shares	2,239	2,239
Financial liabilities		
Other financial liabilities		
- Trade and other payables	<u>3,343,987</u>	<u>5,464,563</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

5. FINANCIAL INSTRUMENTS BY CATEGORIES AND ITS FAIR VALUE ESTIMATION (Cont'd)

FINANCIAL INSTRUMENTS BY CATEGORIES (Cont'd)

COMPANY	2017 RM	2016 RM
Financial assets		
Loans and receivables		
- Trade and other receivables excluding prepayments	37,780,313	39,999,866
- Cash and cash equivalents	122,087,845	153,222,619
- Fixed income instruments	37,998,443	3,410,853
Financial assets at fair value through profit or loss (FVTPL)		
- Quoted shares	1,220	1,220
Financial liabilities		
Other financial liabilities		
- Trade and other payables	249,538	141,679

Quoted shares and investment fund are measured at Level 1 of the fair value hierarchy.

Investment properties are measured at level 3 of the fair value hierarchy. The directors estimate the fair value at RM406,000 (2016: RM580,000). This is based on the information obtained from a real estate agent's website.

Unquoted shares represents a share held in a golf club and shares in a public company. It is not practical to determine the fair value of unquoted shares and transferable club membership due to lack of comparable quoted prices in active market. In addition, it is impractical to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique.

Other than quoted shares, unquoted shares, investment fund and transferable club membership, financial assets and financial liabilities are not carried at fair value but their carrying amounts are reasonable approximation of their fair value due to their short term nature.

6. REVENUE

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Income distribution from investment fund	516,068	435,950	-	-
Dividend income from quoted investment	320,300	369,600	-	-
Interest income from fixed deposits and REPO	10,406	3,085,950	-	-
Sale of goods	36,377,672	49,022,702	-	-
Operating lease – rental income from premises*	64,300	64,800	64,300	64,800
Management fees	60,000	60,000	391,500	450,720
	37,348,746	53,039,002	455,800	515,520

* For the Group and the Company, these consist of cancellable operating leases whereby 2 months notice is required to terminate the agreements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

7. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before taxation is stated after charging and (crediting):				
Allowance for impairment on receivables	208,142	-	-	-
Amortisation of intangible assets	90,632	135,951	-	-
Auditors' remuneration				
- current year	121,500	134,000	55,000	52,000
- under/(overprovision) in prior year	(1,500)	(28,500)	2,500	(16,500)
Bad debts written off	-	84,952	-	52,921
Cost of inventories charged to expenses##	30,394,375	42,932,399	-	-
Depreciation of investment property	8,000	8,000	8,000	8,000
Depreciation of property, plant and equipment	495,161	1,864,024	177,157	154,104
Directors' remuneration				
- fees	165,000	215,000	165,000	215,000
- other emoluments *#	1,377,546	1,066,391	1,068,282	937,132
- consultancy fee	-	18,000	-	-
Compensation receivable	-	(2,450,000)	-	-
Dividend income from a subsidiary company	-	-	-	(1,040,010)
FVTPL –Dividend income from quoted shares in Malaysia	(44)	(187)	(44)	(176)
Interest income from loans and receivables				
- fixed income instrument	(5,460,035)	(2,710,254)	(5,078,905)	(2,683,272)
- money market	(151,699)	(91,063)	(31,715)	(18,770)
Impairment on investment in a subsidiary company	-	-	2,500,000	3,000,000
Impairment loss on property, plant and equipment	-	1,125,185	-	-
Loss/(gain) on foreign exchange				
- realised	310,268	10,890	(802)	-
Operating lease - rental of				
- equipment and machinery**	62,758	151,045	6,740	-
- premises***	1,417,450	5,263,829	120,000	279,352
- warehouse***	520,000	21,000	-	-
- showroom***	24,000	24,000	-	-
- forklift and tractor	26,050	-	-	-
Operating lease – rental income from warehouse***	-	(48,000)	-	-
Loss from disposal of property, plant and equipment	1,016,444	1,577,049	-	-
Property, plant and equipment written off	25,083	60,318	260	4,562
Reversal of allowance for impairment on receivables	-	(112,069)	-	(71,021)
Reversal of impairment on investment in subsidiary companies	-	-	(2,700,000)	(3,200,000)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

7. PROFIT BEFORE TAXATION (Cont'd)

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before taxation is stated after charging and (crediting): (Cont'd)				
Reversal of impairment loss on property, plant and equipment	(1,125,185)	-	-	-
Retrenchment benefits	6,675	2,778,805	-	-
Staff costs*	5,496,969	9,380,065	958,877	223,706
Trade payable written back	(247)	-	-	-
Other payable written back	(1,290)	-	-	-

* Included in staff costs and directors' other emoluments of the Group and of the Company are amounts totalling RM617,395 (2016: RM827,690) and RM214,193 (2016: RM113,345) respectively contributed to the Employees' Provident Fund.

** These consist of cancellable and non-cancellable operating leases. For cancellable operating leases either no notice or one to two months' notice are required for termination of these agreements.

For non-cancellable operating leases, the lease commitments are disclosed in Note 25 to the financial statements.

*** These consist of cancellable operating leases whereby either no notice or two to six months' notice are required for termination of these agreements.

The estimated monetary value of other benefits not included in the above received by the directors of the Group and of the Company are amounts totalling RM48,763 (2016: RM72,200) and RM48,763 (2016: RM64,700).

Cost of inventories charged to expenses includes:

	GROUP	
	2017 RM	2016 RM
Inventories written off	2,444,271	-
Inventories written down	309,831	1,308,972
Reversal of inventories written down	(2,320,875)	(399,414)

8. TAXATION

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
(a) Current Malaysian taxation	1,045,179	818,100	612,679	65,000
Underprovision of taxation in prior years	182,070	1,366	228,990	-
	<u>1,227,249</u>	<u>819,466</u>	<u>841,669</u>	<u>65,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

8. TAXATION (Cont'd)

(b) Reconciliation of tax expense and accounting profit:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Accounting profit	3,110,132	1,063,287	2,158,304	1,184,658
Tax at the applicable tax rate	746,431	255,188	517,993	284,318
Tax effect of expenses that are not deductible in determining taxable profit	242,266	7,965,632	739,070	801,052
Tax effect of income that are not included in determining taxable profit	(540,830)	(794,269)	(648,254)	(1,019,997)
Movement from unrecognised deferred tax assets	597,312	(6,608,451)	3,870	(373)
Current tax expense	1,045,179	818,100	612,679	65,000

The corporate tax rate is 24%. In the following year, the corporate tax rate will be to 24% or less subject to fulfilling certain criteria. Consequently, deferred tax assets in Note 22 are measured using this tax rate.

- (c) The Company has unabsorbed capital allowances and unused tax losses of approximately RM3,104,000 (2016: RM3,148,000) available for set off against future taxable income.
- (d) The Company is able to distribute its profits by way of dividend.
- (e) The Company has tax exempt income of RM12,200,630 available for distribution by way tax exempt dividends.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated based on the consolidated profit for the year attributable to owners of the parent of RM1,616,235 (2016: RM275,042) and the weighted average of 186,602,833 (2016: 186,602,833) ordinary shares issued and paid up during the financial year.

(b) Diluted earnings per share

The diluted earnings per share is calculated based on the consolidated profit for the year attributable to owners of the parent of RM1,616,235 (2016: RM275,042) and the weighted average of 204,223,025 (2016: 206,176,688) ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold buildings RM	Plant and machinery RM	Equipment, furniture and fittings, renovation and motor vehicles RM	Total RM
2017 GROUP				
At cost				
At 1 April 2016	7,630	21,283,057	5,985,251	27,275,938
Additions	-	-	167,859	167,859
Disposals	-	(21,283,057)	(2,653,788)	(23,936,845)
Written off	(7,630)	-	(620,750)	(628,380)
At 31 March 2017	-	-	2,878,572	2,878,572
Accumulated depreciation				
At 1 April 2016	7,630	19,590,229	4,426,835	24,024,694
Charge for the year	-	34,489	460,672	495,161
Disposals	-	(19,624,718)	(2,305,417)	(21,930,135)
Written off	(7,630)	-	(595,667)	(603,297)
At 31 March 2017	-	-	1,986,423	1,986,423
Accumulated impairment depreciation				
At 1 April 2016	-	1,066,145	71,308	1,137,453
Reversals	-	(1,066,145)	(59,040)	(1,125,185)
At 31 March 2017	-	-	12,268	12,268
Net book value				
At 31 March 2017	-	-	879,881	879,881
2016 GROUP				
At cost				
At 1 April 2015	7,630	56,923,132	9,581,103	66,511,865
Additions	-	-	463,142	463,142
Disposals	-	(34,048,255)	(3,718,952)	(37,767,207)
Written off	-	(1,591,820)	(340,042)	(1,931,862)
At 31 March 2016	7,630	21,283,057	5,985,251	27,275,938

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold buildings RM	Plant and machinery RM	Equipment, furniture and fittings, renovation and motor vehicles RM	Total RM
2016 GROUP (Cont'd)				
Accumulated depreciation				
At 1 April 2015	7,630	49,218,052	5,926,523	55,152,205
Charge for the year	-	1,205,509	658,515	1,864,024
Disposals	-	(29,781,632)	(1,882,986)	(31,664,618)
Written off	-	(1,051,700)	(275,217)	(1,326,917)
At 31 March 2016	7,630	19,590,229	4,426,835	24,024,694
Accumulated impairment depreciation				
At 1 April 2015	-	540,111	16,784	556,895
Charge for the year	-	1,066,145	59,040	1,125,185
Reversals	-	(540,111)	(4,516)	(544,627)
At 31 March 2016	-	1,066,145	71,308	1,137,453
Net book value				
At 31 March 2016	-	626,683	1,487,108	2,113,791

	Furniture and fittings RM	Renovation RM	Motor vehicle RM	Office equipment RM	Total RM
2017 COMPANY					
At cost					
At 1 April 2016	14,600	196,340	754,971	10,754	976,665
Additions	-	-	-	-	-
Written off	-	-	-	(388)	(388)
At 31 March 2017	14,600	196,340	754,971	10,366	976,277
Accumulated depreciation					
At 1 April 2016	189	1,636	544,309	1,514	547,648
Charge for the year	1,461	104,714	69,910	1,072	177,157
Written off	-	-	-	(128)	(128)
At 31 March 2017	1,650	106,350	614,219	2,458	724,677
Net book value					
At 31 March 2017	12,950	89,990	140,752	7,908	251,600

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Furniture and fittings RM	Renovation RM	Motor vehicle RM	Office equipment RM	Total RM
2016 COMPANY					
At cost					
At 1 April 2015	-	-	754,971	12,149	767,120
Additions	14,600	196,340	-	4,933	215,873
Written off	-	-	-	(6,328)	(6,328)
At 31 March 2016	14,600	196,340	754,971	10,754	976,665
Accumulated depreciation					
At 1 April 2015	-	-	393,315	1,995	395,310
Charge for the year	189	1,636	150,994	1,285	154,104
Written off	-	-	-	(1,766)	(1,766)
At 31 March 2016	189	1,636	544,309	1,514	547,648
Net book value					
At 31 March 2016	14,411	194,704	210,662	9,240	429,017

11. INVESTMENT PROPERTIES

	GROUP AND COMPANY	
	2017 RM	2016 RM
Investment properties stated at cost:		
At cost		
At 1 April and 31 March	400,000	400,000
Accumulated depreciation		
At 1 April	42,000	34,000
Charge for the year	8,000	8,000
At 31 March	50,000	42,000
Net carrying amount		
At 31 March	350,000	358,000

The investment properties comprise freehold land and buildings.

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

	GROUP AND COMPANY	
	2017 RM	2016 RM
Operating lease - rental income	28,800	28,800
Direct operating expenses	4,516	5,902

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

12. INTANGIBLE ASSETS

	GROUP	
	2017 RM	2016 RM
Computer software:		
At cost		
At 1 April and 31 March	679,757	679,757
Accumulated amortisation		
At 1 April	589,121	453,170
Charge for the year	90,633	135,951
At 31 March	679,754	589,121
Net carrying amount		
At 31 March	3	90,636

13. SUBSIDIARY COMPANIES

	COMPANY	
	2017 RM	2016 RM
Shares in unquoted corporations:		
At cost	140,248,111	140,248,111
Impairment losses	(113,248,109)	(113,448,109)
	27,000,002	26,800,002

The subsidiary companies which were incorporated in Malaysia are:

Name of company	Principal activities	Group's equity interests	
		2017 %	2016 %
GBH Ceramics Sdn. Bhd.	Ceased operations during the year	100	100
GBH Bathroom Products Sdn. Bhd.	Trading of ceramic wares	100	100
GBH Crown Lynn Sdn. Bhd.	Trading of ceramic tablewares	100	100
GBH Porcelain Sdn. Bhd.	Investment holding	100	100
Dcor Bath Sdn. Bhd.	Trading of ceramic wares	75	75
GBH Clay Pipes Sdn. Bhd.	Dormant	100	100
GBH Land Sdn. Bhd.	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

14. ASSOCIATED COMPANY

	GROUP	
	2017 RM	2016 RM
Shares in unquoted corporations, at cost	14,175,000	14,175,000
Share of post acquisition profit	2,029,379	425,699
	<u>16,204,379</u>	<u>14,600,699</u>
Share of net assets other than goodwill	9,922,269	8,318,589
Goodwill on acquisition	6,282,110	6,282,110
	<u>16,204,379</u>	<u>14,600,699</u>

The associated company which was incorporated in Malaysia is:

Name of company	Principal activities	Group's equity interests	
		2017	2016
Time Galerie (M) Sdn. Bhd.	Retailing of watches, clocks, gifts and other accessories	20.25%	20.25%

The principal place of business is at Lot 6, Jalan Murai 2, Batu Complex, 51100 Kuala Lumpur.

The summarised financial information of the associated company is as follows:

	GROUP	
	2017 RM	2016 RM
Assets and liabilities		
Non current assets	2,044,019	2,202,942
Current assets	<u>50,981,905</u>	<u>43,040,516</u>
	<u>53,025,924</u>	<u>45,243,458</u>
Non current liabilities	-	-
Current liabilities	<u>4,027,071</u>	<u>4,164,006</u>
	<u>4,027,071</u>	<u>4,164,006</u>
Results		
Revenue	45,332,664	42,858,166
Profit for the year	7,781,902	11,123,646
Total comprehensive income for the year	<u>7,781,902</u>	<u>11,123,646</u>

15. OTHER INVESTMENTS

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Available-for-sale financial assets				
Unquoted shares, at cost	58,700	58,700	-	-
Impairment loss	(5,000)	(5,000)	-	-
	<u>53,700</u>	<u>53,700</u>	<u>-</u>	<u>-</u>
Transferable club membership at cost	15,000	15,000	-	-
Impairment loss	(15,000)	(15,000)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment fund	13,530,019	12,983,888	-	-
Quoted shares	7,910,300	8,845,700	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

15. OTHER INVESTMENTS (Cont'd)

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Financial assets at fair value through profit or loss (FVTPL)				
Quoted shares	2,239	2,239	1,220	1,220
	21,496,258	21,885,527	1,220	1,220
Loan and receivables				
Long term fixed income instruments	34,501,187	-	34,501,187	-
	55,997,445	21,885,527	34,502,407	1,220

Long term fixed income instruments of the Group and the Company are deposit for period of twenty four months and earn interest at the prevailing short term deposit rate.

Included in long term fixed income instruments are amounts of RM8,639,275 pledged to a licensed bank for banking facilities granted to a subsidiary company.

Included in the unquoted shares is an amount of RM56,700 representing a share in a golf club.

16. INVENTORIES

	GROUP	
	2017 RM	2016 RM
At lower of cost and net realisable value		
Raw materials	-	72,400
Consumables	17,862	236,591
Work-in-progress	-	779,127
Finished goods	50,751	2,381,614
Goods for resale	9,274,096	10,439,316
Goods for resale-goods-in-transit	458,119	49,800
	9,800,828	13,958,848

Inventories are written down based on the experience and judgment of the management team on the basis that they reflect expected selling prices for such inventories. Obsolete inventories are written off. Reversal of inventories written down was due to the inventories being sold above their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

17. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables	7,485,299	12,398,982	805	8,668
Allowance for impairment	(222,288)	(14,146)	-	-
	7,263,011	12,384,836	805	8,668
Deposits	1,506,332	2,923,238	71,560	246,430
Prepayment	211,061	57,054	149,134	36,314
Other receivables	179,292	2,702,382	23,160	112,272
Allowance for impairment	(18,300)	(18,300)	(18,300)	(18,300)
	1,878,385	5,664,374	225,554	376,716
Amounts due from subsidiary companies				
- current accounts	-	-	37,703,088	39,650,796
	-	-	37,703,088	39,650,796
	9,141,396	18,049,210	37,929,447	40,036,180

The currency exposure profile of trade receivables is as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	7,485,299	12,350,272	805	8,668
Singapore Dollar	-	54,149	-	-
US Dollar	-	(5,439)	-	-
	7,485,299	12,398,982	805	8,668

The currency exposure profile of other receivables is as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	176,115	2,702,382	23,160	112,272
Thai Baht	3,177	-	-	-
	179,292	2,702,382	23,160	112,272

Trade receivables of the Company are non-interest bearing and generally on 30 days terms.

Trade receivables of the Group are non-interest bearing and generally are on 30 days to 90 days terms.

The current amounts due from subsidiary companies are repayable upon demand.

No other receivables for the Group and the Company are past due nor impaired at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

17. TRADE AND OTHER RECEIVABLES (Cont'd)

Ageing analysis of trade receivables:

	GROUP	
	2017 RM	2016 RM
Neither past due nor impaired	4,592,261	9,999,377
1 to 30 days past due not impaired	460,696	1,045,122
31 to 60 days past due not impaired	465,214	473,535
61 to 90 days past due not impaired	60,686	14,776
91 to 120 days past due not impaired	407,852	17,740
More than 120 days past due not impaired	1,276,302	834,286
	2,670,750	2,385,459
Impaired	222,288	14,146
	7,485,299	12,398,982

	COMPANY	
	2017 RM	2016 RM
Neither past due nor impaired	-	9,116
1 to 30 days past due not impaired	212	-
31 to 60 days past due not impaired	212	-
61 to 90 days past due not impaired	-	-
91 to 120 days past due not impaired	-	(92)
More than 120 days past due not impaired	381	(356)
	805	(448)
Impaired	-	-
	805	8,668

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group and the Company and losses have occurred infrequently.

The Group's and the Company's trade and other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired GROUP		Individually impaired COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables - nominal amounts	222,288	14,146	-	-
Deposits – nominal amounts	18,300	18,300	18,300	18,300
Allowance for impairment	(240,588)	(32,446)	(18,300)	(18,300)
	-	-	-	-

Movement in allowance for impairment:

GROUP	Trade receivables RM	Deposits RM
2017		
At 1 April 2016	14,146	18,300
Addition	208,142	-
At 31 March 2017	222,288	18,300

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

17. TRADE AND OTHER RECEIVABLES (Cont'd)

GROUP	Trade receivables RM	Deposits RM
2016		
At 1 April 2015	126,215	18,300
Reversal of impairment	(80,038)	-
Written off	(32,031)	-
At 31 March 2016	14,146	18,300
COMPANY		
2017		
At 1 April 2016	-	18,300
Reversal	-	-
At 31 March 2017	-	18,300
2016		
At 1 April 2015	71,021	18,300
Reversal	(71,021)	-
At 31 March 2016	-	18,300

Trade receivables that were impaired at the reporting date relate to customers that are in significant financial difficulties and have defaulted on payments.

Deposits that were impaired at the reporting date relate to deposits that may not be recoverable.

Included in other receivables is an amount of RM Nil (2016: RM2,450,000) owing from a company in which certain directors have interests.

18. FIXED INCOME INSTRUMENT

The Group and the Company's fixed income instrument amounting to RM3,497,256 (2016 : RM3,410,853) is pledged to a licensed bank for banking facilities granted to the Company and a subsidiary company.

19. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash in hand	8,469	4,446	2,000	761
Bank balances	8,602,917	19,844,052	1,153,899	3,692,601
Short term fixed income instrument	140,830,868	149,550,716	120,931,946	149,529,257
	149,442,254	169,399,214	122,087,845	153,222,619

Deposits are neither past due nor impaired and are placed with or entered into with reputable licensed banks.

Short term fixed income instruments of the Group and the Company are deposits for period of one month and earn interest at the prevailing short term deposit rate.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

19. CASH AND CASH EQUIVALENTS (Cont'd)

The currency exposure profile of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	148,248,371	168,831,791	122,087,845	153,222,619
US Dollar	1,192,414	567,423	-	-
Renmimbi	1,469	-	-	-
	<u>149,442,254</u>	<u>169,399,214</u>	<u>122,087,845</u>	<u>153,222,619</u>

20. SHARE CAPITAL AND SHARE PREMIUM

	GROUP AND COMPANY			
	No. of Shares	2017 Share Capital RM	No. of Shares	2016 Share Capital RM
Ordinary shares				
Issued and fully-paid up				
At 1 April	186,602,833	186,602,833	185,912,633	185,912,633
Issuance of shares:				
- Exercise of Warrants 2010/2020	-	-	690,200	690,200
	<u>186,602,833</u>	<u>186,602,833</u>	<u>186,602,833</u>	<u>186,602,833</u>
Transfer of share premium account pursuant to Section 618 (2) of the Companies Act, 2016	-	16,559,513	-	-
At 31 March	<u>186,602,833</u>	<u>203,162,346</u>	<u>186,602,833</u>	<u>186,602,833</u>

In prior year, the issued and fully-paid up ordinary share capital of the Company was increased from RM185,912,633 to RM186,602,833 by way of issuance of 690,200 ordinary shares of RM1.00 each arising from the exercise of Warrants 2010/2020 at the exercise price of RM1.00 per share.

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company.

All ordinary shares carry one vote per share without restriction and rank equally with regard to the distribution of Company's residual assets.

	GROUP AND COMPANY	
	2017 RM	2016 RM
Share premium		
At 1 April	16,559,513	16,395,676
Transfer from warrant reserve upon exercise of Warrants 2010/2020	-	163,837
Movement during the year:		
Transfer to share capital pursuant to Section 618 (2) of the Companies Act, 2016	(16,559,513)	-
At 31 March	<u>-</u>	<u>16,559,513</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

20. SHARE CAPITAL AND SHARE PREMIUM (Cont'd)

The new Companies Act, 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provision set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act use the amount standing to the credit of its share premium account of RM16,559,513 for specific purposes as set out in Section 618 (3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

21. OTHER RESERVES

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Non-distributable				
Capital reserve	2,553,440	1,118,356	2,257,088	2,257,088
Warrant reserve				
At 1 April	14,497,361	14,661,198	14,497,361	14,661,198
Transferred to share premium account upon exercise of Warrants 2010/2020	-	(163,837)	-	(163,837)
At 31 March	14,497,361	14,497,361	14,497,361	14,497,361
Fair value adjustment reserve	(1,379,543)	(474,206)	-	-
	15,671,258	15,141,511	16,754,449	16,754,449

Warrant reserve

The 2010/2020 warrants were admitted, listed and quoted on the main market of Bursa Malaysia Securities Berhad on 13 April 2010 and will expire on 7 April 2020. Each said warrant in issue entitles the warrant holders to subscribe for new ordinary shares in the Company at an exercise price of RM1.00 per ordinary share at any time during the exercise period in accordance with the deed poll.

Warrants 2010/2020 exercised in prior year resulted in 690,200 new ordinary shares being issued at RM1.00. The weighted average quoted price of shares of the Company at the time when the warrants were exercised was RM1.64.

The number of outstanding warrants as at 31 March 2017 is 61,073,193 (2016: 61,073,193).

22. DEFERRED TAXATION

The component of deferred tax liabilities and tax assets that are recognised during the financial year are as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Deferred tax liabilities:				
Capital allowances in excess of depreciation	9,753	-	121	238,066
Deferred tax losses:				
Unused tax losses	(9,753)	-	(121)	(238,066)
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

22. DEFERRED TAXATION (Cont'd)

The amounts of deferred tax assets that are not recognised in the statement of financial position are as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Unused tax losses	19,848,201	15,643,106	736,970	741,523
Unabsorbed capital allowances	3,319,249	95,885	-	2,690
Unabsorbed reinvestment allowances	5,581,423	5,581,423	-	-
Inventories written down	337,764	838,569	-	-
Provision	49,406	-	-	-
	<u>29,136,043</u>	<u>22,158,983</u>	<u>736,970</u>	<u>744,213</u>

23. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade payables	1,732,909	1,699,787	1,023	7,123
Other payable, deposits and accruals	1,611,078	3,764,776	248,515	134,556
	<u>3,343,987</u>	<u>5,464,563</u>	<u>249,538</u>	<u>141,679</u>

Credit terms of trade payables and other payables range from 30 days to 90 days.

The currency exposure profile of trade payables is as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	982,359	1,684,587	1,023	7,123
Sterling Pound	-	2,966	-	-
US Dollar	750,550	12,234	-	-
	<u>1,732,909</u>	<u>1,699,787</u>	<u>1,023</u>	<u>7,123</u>

24. CAPITAL COMMITMENTS

	GROUP	
	2017 RM	2016 RM
Approved but not contracted for:		
Property, plant and equipment	<u>400,000</u>	<u>400,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

25. OPERATING LEASE ARRANGEMENTS

	GROUP	
	2017 RM	2016 RM
The future minimum lease payments payable under non-cancellable operating leases contracted for as at the reporting date but not recognised as payable are as follows:		
Within one year	21,480	23,016
Between two to five years	50,520	73,152
	<u>72,000</u>	<u>96,168</u>

26. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Secured				
Bank guarantee given to third party	6,286,900	2,234,250	-	-
Corporate guarantee given to a subsidiary company	-	-	8,000,000	8,000,000
Unsecured				
Corporate guarantee given to subsidiaries' suppliers	-	-	2,212,500	465,454

The contingent liabilities are secured by the Company's long term investments and short term deposits with a licensed bank as disclosed in note 15 and 18 to the financial statements.

27. SEGMENT INFORMATION

(a) Business segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- Manufacturing segment which is in the business of manufacturing and trading of ceramic pipes;
- Trading segment which is in the business of trading of ceramic wares and ceramic tableware; and
- Investments segment (formerly known as properties segment) which is investment holding (including rental income).

Management monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

27. SEGMENT INFORMATION (Cont'd)

(a) Business segments (Cont'd)

	Manufacturing		Trading		Investments		Adjustments and eliminations		Per consolidated financial statements	
	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM
REVENUE AND EXPENSES										
Revenue										
External customers	3,529,339	33,584,278	32,516,833	15,438,424	1,302,574	4,016,300	-	-	37,348,746	53,039,002
Inter-segment sales	-	-	364,714	256,564	-	1,808,220	(364,714)	(2,064,784)	-	-
Total revenue	3,529,339	33,584,278	32,881,547	15,694,988	1,302,574	5,824,520	(364,714)	(2,064,784)	37,348,746	53,039,002
Results										
Interest income	(430,231)	(45,248)	(70,883)	(53,624)	(5,110,620)	(2,702,445)	-	-	(5,611,734)	(2,801,317)
Dividend income	-	(11)	-	-	(44)	(176)	-	-	(44)	(187)
Amortisation of intangible assets	71,311	106,968	19,321	28,983	-	-	-	-	90,632	135,951
Depreciation of property, plant and equipment	159,606	1,558,408	158,398	59,401	177,157	246,215	-	-	495,161	1,864,024
Depreciation of investment properties	-	-	-	-	8,000	8,000	-	-	8,000	8,000
Other material non-cash expenses/(income)	(246,302)	1,560,878	(212,691)	520,604	260	(13,538)	-	-	(458,733)	2,067,944
Segment profit/(loss)	(2,266,663)	27,371,766	565,943	(2,663,221)	2,187,948	6,132,353	1,395,655	(30,597,077)	1,882,883	243,821
Total Assets	20,474,360	26,739,148	25,741,810	20,515,331	262,224,377	266,626,488	(62,921,351)	(66,451,782)	245,519,196	247,429,185
Assets										
Additions to non-current assets (property, plant and equipment and intangible assets)	-	907,661	167,859	241,258	-	215,873	-	-	167,859	463,142

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

27. SEGMENT INFORMATION (Cont'd)

NOTES

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses/(income) consist of the following items:

	2017 RM	2016 RM
Allowance for impairment on receivables	208,142	-
Bad debts written off	-	84,952
Reversal of inventories written down	(2,320,875)	(399,414)
Inventories written off	2,444,271	-
Inventories written down	309,831	1,308,972
Reversal of allowance for impairment on receivables	-	(112,069)
Impairment loss on property, plant and equipment	-	1,125,185
Property, plant and equipment written off	25,083	60,318
Reversal of impairment loss on property, plant and equipment	(1,125,185)	-
	<u>(458,733)</u>	<u>2,067,944</u>

C Reconciling items of total reportable segments' profit/(loss) to the Group's profit for the year:

	2017 RM	2016 RM
Share of profits of associated companies	1,603,680	1,819,793
Results of non-reportable segment	(4,713)	(5,437)
Inter-segment elimination	(203,312)	(32,411,433)
	<u>1,395,655</u>	<u>(30,597,077)</u>

D Reconciling items of total reportable segments' to the Group's assets:

	2017 RM	2016 RM
Investment in subsidiaries	(27,000,002)	(26,800,002)
Non-reportable segment's total	175,998	180,211
Inter-segment balance	(36,097,347)	(39,831,991)
	<u>(62,921,351)</u>	<u>(66,451,782)</u>

The Group's non-current assets are located in Malaysia.

The Group's revenue from external customers by location of customers:

	2017 RM	2016 RM
Malaysia	37,348,746	52,695,478
Other	-	343,524
	<u>37,348,746</u>	<u>53,039,002</u>

There is no single customer that contributed 10% or more of the Group's revenue for the year ended 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

28. RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Operating lease – Rental expense charged by FCW Industries Sdn. Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company has interest	-	1,109,735	-	-
Insurance premium paid to Fleet Insurance Agency Sdn. Bhd., a company wholly-owned by a related company in which Tan Sri Dato' Tan Hua Choon is a director of the said company	160,457	362,020	146,036	354,435
Operating lease – Rental income from Federal Telecommunication Sdn Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company has interest	(36,000)	(36,000)	(36,000)	(36,000)
Management fee charged to Federal Telecommunication Sdn Bhd., a company in which Tan Sri Dato' Tan Hua Choon, a director of the Company has interest	(60,000)	(60,000)	(60,000)	(60,000)
Management fees charged to subsidiary companies	-	-	(331,500)	(390,720)
Operating lease – Rental income from Bath Deco Marketing Sdn. Bhd., a company in which a director of a subsidiary company has interest	-	(48,000)	-	-
Operating lease – Rental expenses charged by Bath Deco Marketing Sdn. Bhd., a company in which a director of a subsidiary company has interest	-	21,000	-	-
Purchase of products from Bath Deco Marketing Sdn. Bhd., a company in which a director of a subsidiary company has interest	72,696	943,368	-	-
Sales of products to Bath Deco Marketing Sdn. Bhd., a company in which a director of a subsidiary company has interest	(645,307)	(131,939)	-	-
Purchase of property, plant and equipment from Bath Deco Marketing Sdn. Bhd., a company in which a director of a subsidiary company has interest for a total consideration of	-	70,000	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

28. RELATED PARTY TRANSACTIONS (Cont'd)

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Operating lease – rental expense charged by a subsidiary company	-	-	-	248,752
Operating lease – Rental expenses charged by JKG Central Park Sdn. Bhd., a company in which Tan Sri Dato' Tan Hua Choon and Dato' Sri Tan Han Chuan have interest	1,120,000	4,034,493	-	-
Compensation receivable from JKG Central Park Sdn. Bhd., a company in which Tan Sri Dato' Tan Hua Choon and Dato' Sri Tan Han Chuan have interest	-	(2,450,000)	-	-

29. DIVIDEND PER SHARE

	GROUP AND COMPANY	
	2017 RM	2016 RM
Approved and paid:		
Nil (2016: First single-tier interim dividend of 12% per ordinary shares of RM1.00 each)	-	22,392,340
Nil (2016: Second single-tier interim dividend of 3% per ordinary shares of RM1.00 each)	-	5,598,085
	-	27,990,425
Dividend per share	-	0.15

30. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The key management personnel comprises directors having authority and responsibility for planning, directing and controlling the financial and operating policies of the Group entities and Company either directly or indirectly.

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Short term employee benefits (including monetary value of benefits in kind)	1,607,246	1,371,591	1,297,982	1,216,832

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 MARCH 2017

31. SUPPLEMENTARY INFORMATION

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Total retained profits/ (accumulated losses) of the Company and its subsidiaries				
- Realised	(91,553,690)	(92,036,205)	5,629,558	4,312,923
- Unrealised	-	-	-	-
	(91,553,690)	(92,036,205)	5,629,558	4,312,923
Total share of retained profits from associated company				
- Realised	2,029,379	2,170,017	-	-
Add: Consolidation adjustments	111,600,074	111,760,800	-	-
Total retained profits as per consolidated financial statements/ financial statements	<u>22,075,763</u>	<u>21,894,612</u>	<u>5,629,558</u>	<u>4,312,923</u>

This supplementary information 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.

ANALYSIS OF SHAREHOLDINGS

AS AT 20 JUNE 2017

A. SHARE CAPITAL

Issued Share Capital : RM186,602,833 (186,602,833 ordinary shares)
Voting Rights : One vote for each ordinary share held

B. DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
1 - 99	94	1,647	0.00
100 - 1,000	291	201,527	0.11
1,001 - 10,000	623	2,710,346	1.45
10,001 - 100,000	174	5,454,675	2.93
100,001 to less than 5% of issued shares	26	59,118,958	31.68
5% and above of issued shares	3	119,115,680	63.83
	1,211	186,602,833	100.00

C. THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Tan Sri Dato' Tan Hua Choon	53,897,097	28.88
2.	Tan Sri Dato' Tan Hua Choon	41,452,983	22.21
3.	Tan Sri Dato' Tan Hua Choon	23,765,600	12.74
4.	Gan Lock Yong @ Gan Choon Hur	8,883,400	4.76
5.	Lim Siew Sooi	8,709,100	4.67
6.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Huey Peng	8,000,000	4.29
7.	Neoh Poh Lan	7,449,700	3.99
8.	Ong Poh Lin	7,416,700	3.97
9.	Chew Huat Heng	3,800,000	2.04
10.	Ong Wee Shyong	2,443,300	1.31
11.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for How Yoke Kam	2,158,900	1.16
12.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt an for Bank of Singapore Limited	1,500,000	0.80
13.	Chew Boon Seng	1,301,058	0.70
14.	Ong Har Hong	1,152,900	0.62
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Koh Kin Lip (MY0502)	1,000,000	0.54
16.	Fang See Khung	926,600	0.50
17.	Fang Kon Wing	875,600	0.47

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 20 JUNE 2017

C. THIRTY LARGEST SHAREHOLDERS (Cont'd)

No.	Name of Shareholders	No. of Shares	%
18.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Rickoh Corporation Sdn Bhd (MY0507)	715,500	0.38
19.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	658,400	0.35
20.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	467,900	0.25
21.	Lee Pui Inn	300,800	0.16
22.	Goh Leong Chuan	270,000	0.14
23.	Yau Teck Kong	227,800	0.12
24.	Lim Thiam Sang	171,500	0.09
25.	Leong Liew Geok	160,000	0.09
26.	Liew Choi Yam	155,900	0.08
27.	Sin Len Moi	144,000	0.08
28.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Foo Howe Kean	120,000	0.06
29.	Sang Lee Company Sdn Bhd	109,900	0.06
30.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kin Lip	100,000	0.05

Remarks:

The shareholding of each person are disclosed herein without aggregating the shares from different securities accounts belonging to the same person.

D. SUBSTANTIAL SHAREHOLDER

Name of Shareholder	No. of Shares	%
Tan Sri Dato' Tan Hua Choon	119,115,680	63.83

E. DIRECTORS' INTERESTS IN SHARES

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	% of holdings	No. of Shares	% of holdings
Tan Sri Dato' Tan Hua Choon	119,115,680	63.83	-	-

ANALYSIS OF WARRANT HOLDINGS

AS AT 20 JUNE 2017

A. WARRANTS 2010/2020

Issued	61,918,993
Exercised to date	845,800
Outstanding	61,073,193
Class of Securities	Warrants 2010/2020
Voting Rights	Every warrant holder present in person or by proxy shall be entitled by a show of hands to one (1) vote and every warrant holder present in person or by proxy shall be entitled on a poll to one (1) vote for each share to which such holder would be entitled at the exercise price on the exercise in full of the Exercise Rights represented by such holder's warrant.

B. DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	No. of Warrants	%
1 - 99	60	2,196	0.01
100 - 1,000	122	93,437	0.15
1,001 - 10,000	261	1,100,720	1.80
10,001 - 100,000	78	2,247,250	3.68
100,001 to less than 5% of issued warrants	17	11,341,400	18.57
5% and above of issued warrants	3	46,288,190	75.79
	541	61,073,193	100.00

C. THIRTY LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1.	Tan Sri Dato' Tan Hua Choon	17,965,699	29.42
2.	Tan Sri Dato' Tan Hua Choon	14,255,200	23.34
3.	Tan Sri Dato' Tan Hua Choon	14,067,291	23.03
4.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for How Yoke Kam	1,641,500	2.69
5.	Neoh Poh Lan	1,517,500	2.48
6.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Eng Huat	1,399,600	2.29
7.	Ong Poh Lin	1,136,300	1.86
8.	Chew Huat Heng	1,100,000	1.80
9.	Ng Chai Yong	872,000	1.43
10.	Ong Wee Shyong	810,100	1.33
11.	Lee Pui Inn	702,900	1.15
12.	Sow Huey Shan	615,000	1.01

ANALYSIS OF WARRANT HOLDINGS (Cont'd)

AS AT 20 JUNE 2017

C. THIRTY LARGEST WARRANT HOLDERS (Cont'd)

No.	Name of Warrant Holders	No. of Warrants	%
13.	Ong Har Hong	384,300	0.63
14.	Sin Len Moi	296,500	0.49
15.	Maybank Nominees (Tempatan) Sdn Bhd Chua Eng Ho Wa'a @ Chua Eng Wah	291,700	0.48
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeong Sin Khong	138,200	0.23
17.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Chi Fei (E-BBB)	110,000	0.18
18.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Eg Kaa Chee (STC)	109,900	0.18
19.	Chai Koon Khow	108,900	0.18
20.	Lim Mooi Tean	107,000	0.18
21.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Kok Sang (REM 181-Margin)	88,000	0.14
22.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Ngew	80,000	0.13
23.	Lee Wee Mien	64,800	0.11
24.	Yap Zhi Chau	60,000	0.10
25.	Dan Yoke Pyng	59,900	0.10
26.	Lau Jun Tuck @ Lau Chin Tack	57,000	0.09
27.	Quek Ngee Meng	57,000	0.09
28.	Chin Swee Kee @ Chin Kuen Kee	56,000	0.09
29.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mok E. King	51,000	0.08
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Hong Hwa	50,000	0.08

Remarks:

The warrant holding of each person are disclosed herein without aggregating the warrants from different securities accounts belonging to the same person.

D. DIRECTORS' INTERESTS IN WARRANTS

Name of Directors	Direct Interest		Deemed Interest	
	No. of Warrants	% of holdings	No. of Warrants	% of holdings
Tan Sri Dato' Tan Hua Choon	46,288,190	75.79	-	-

LIST OF GROUP PROPERTIES

LOCATION / ADDRESS	LAND AREA (SQ METER)	TENURE	EXISTING USE	APPROXIMATE AGE OF BUILDINGS (YEARS)	NET BOOK VALUE OF PROPERTIES IN EXISTINGS STATE (RM)	DATE OF ACQUISITION (A)/ REVALUATION (R)
Lot no: 0021928 Mukim Bandar Kundang Selangor Darul Ehsan	268	Freehold	Shoplot	16	350,000	1998 (A)

GOH BAN HUAT BERHAD

(Company No.: 1713-A) (Incorporated in Malaysia)

PROXY FORM

I/We.....NRIC No./Company No.
(FULL NAME IN BLOCK LETTERS)

of.....
(FULL ADDRESS)

being a member of **GOH BAN HUAT BERHAD** hereby appoint.....

.....NRIC No.
(FULL NAME IN BLOCK LETTERS)

of.....
(FULL ADDRESS)

representing.....percentage (%) of my/our shareholdings in the Company and/or failing him/her

.....NRIC No.
(FULL NAME IN BLOCK LETTERS)

of.....
(FULL ADDRESS)

representing percentage (%) of my/our shareholdings in the Company and/or failing him/her/them, the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf, at the Seventieth Annual General Meeting ("70th AGM") of the shareholders of the Company to be held at Bukit Kiara Equestrian and Country Resort, Dewan Perdana Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Wednesday, 6 September 2017 at 11.00 a.m. or any adjournment thereof.

My/our proxy shall vote as follows:

ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution No. 1(a)		
Ordinary Resolution No. 1(b)		
Ordinary Resolution No. 2(a)		
Ordinary Resolution No. 2(b)		
Ordinary Resolution No. 2(c)		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		
	CDS Account no.	
	No. of Shares held	

Signature(s)/Seal

Signed this _____ day of _____, 2017.

Notes:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment(s) shall be invalid.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- The Proxy Form shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

FOLD HERE

STAMP

GOH BAN HUAT BERHAD (1713-A)
c/o Messrs Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

FOLD HERE

Goh Ban Huat Berhad (1713-A)

13A & 15 Blok A Tingkat 2
10 Boulevard, Jalan Cempaka
Kampung Sungai Kayu Ara
PJU 6A, 47400 Petaling Jaya
Selangor Darul Ehsan

Telephone no.: 03-7725 2800

Fax no.: 03-7725 2810

Email: enquiry@gbhgroup.com.my

www.gbhgroup.com.my