MWE HOLDINGS BERHAD
(5713-D)

ANNUAL REPORT 2016

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat
(Independent Non-Executive Chairman)
P.S.M., S.P.S.K., S.S.A.P., S.P.T.J., S.P.D.K., D.P.C.M., D.S.A.P., D.I.M.P., K.M.N., A.M.N.

Tang King Hua
(Managing Director)

Lim Kong Yow
(Executive Director)

Krian Upatkoon
(Executive Director)

Tan Sri Dato' Surin Upatkoon
(Non-Independent Non-Executive Director)
P.S.M., D.S.P.N., D.M.P.N.

Dato' Lawrence Lim Swee Lin
(Independent Non-Executive Director)
D.I.M.P.

Dato' Yogesvaran a/l T. Arianayagam
(Independent Non-Executive Director)
D.I.M.P.

Tan Chor Teck
(Independent Non-Executive Director)

SECRETARY

Lim Kong Yow (MIA 4979)

REGISTERED OFFICE

No. 846, Jalan Besar
Sungai Bakap
14200 Sungai Jawi
Pulau Pinang
Tel : 04-585 8188
Fax : 04-585 8199

REGISTRAR

METRA MANAGEMENT SDN BHD
30.02, 30th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2698 3232
Fax : 03-2698 0313

AUDITORS

Messrs Ernst & Young
Chartered Accountants

SOLICITORS

Messrs Ghazi & Lim

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MWE
Stock Code : 3921

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
CIMB Islamic Bank Berhad

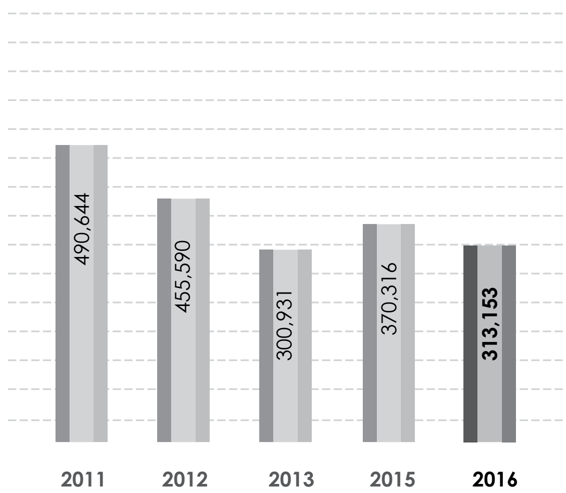
WEBSITE

www.mweh.com.my

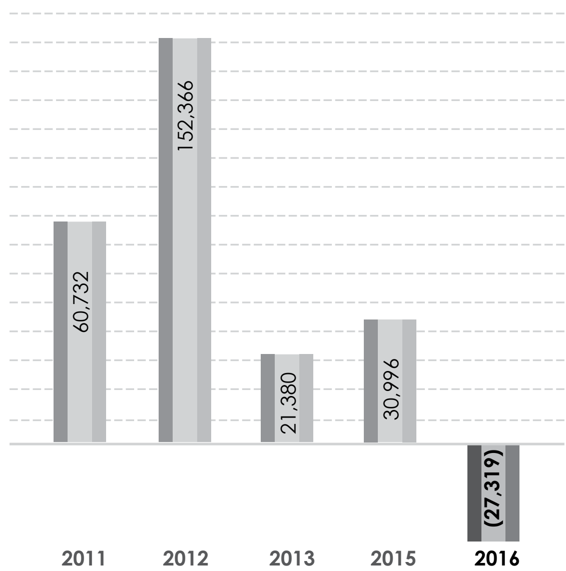
GROUP FINANCIAL HIGHLIGHTS

	YEAR ENDED 31 MARCH 2016 (RM'000)	15 MONTH PERIOD ENDED 31 MARCH 2015 (RM'000)	YEAR ENDED 31 DECEMBER 2013 (RM'000)	2012 (RM'000)	2011 (RM'000)
Revenue	313,153	370,316	300,931	455,590	490,644
(Loss)/Profit Before Tax	(27,319)	30,996	21,380	152,366	60,732
Paid-up capital	231,559	231,559	231,559	231,559	231,559
Shareholders' Funds	560,100	626,763	628,341	597,452	434,622
Total Assets	831,170	910,829	839,908	794,423	735,209
Net Assets per share (sen)	243	272	273	259	188
Earnings per share (sen)	(15)	10	6	61	20
Net Dividend per share (sen)	2	2	2	15	10

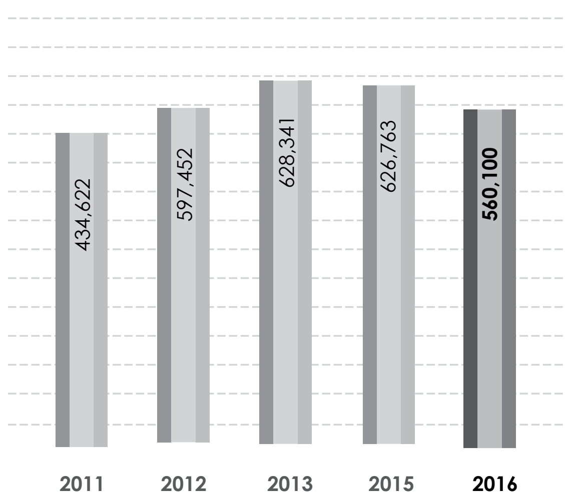
REVENUE
(RM'000)



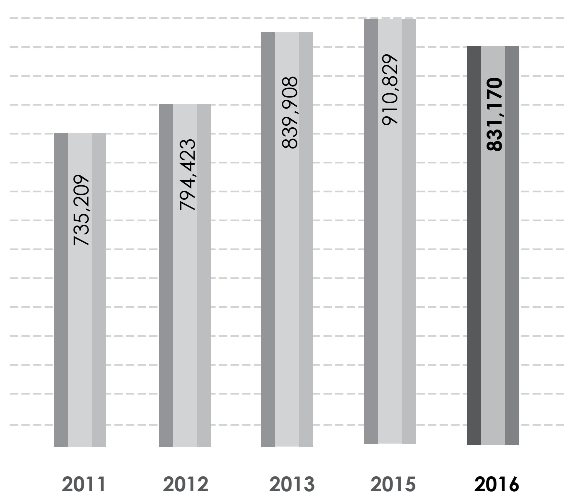
PROFIT BEFORE TAX
(RM'000)



SHAREHOLDERS' FUND
(RM'000)



TOTAL ASSETS
(RM'000)



CORPORATE STRUCTURE

MWE HOLDINGS BERHAD
(5713-D)

TEXTILE DIVISION

- 100% MWE Spinning Mills Sdn Bhd
- 100% United Sweethearts Garment Sdn Bhd
- 100% MWE Textile Industries Sdn Bhd
- 100% United Sweethearts Garment (Vietnam) Co., Ltd

TELECOMMUNICATIONS DIVISION

- 100% Davex Holdings Berhad
- 68% Daviscomms (S) Pte Ltd
- 36% Advanced Mobile Services & Solutions Sdn Bhd ^
- 100% Daviscomms (Malaysia) Sdn Bhd

PROPERTIES DIVISION

- 100% MWE Properties Sdn Bhd
- 25.6% Kumpulan Europlus Berhad ^
- 100% MWE Precast Concrete Sdn Bhd
- 100% Metra PMC Sdn Bhd
- 100% Melati Mewah Sdn Bhd
- 70% Prime Achiever Sdn Bhd
- 60% MWE Tiravest Sdn Bhd
- 60% Jurangjaya Sdn Bhd
- 51% MWE Macadam Sdn Bhd
- 50% Ribuan Wangsa Sdn Bhd ^
- 50% Weld Quay Development Sdn Bhd ^
- 100% Melati Mewah Property Services Sdn Bhd
- 100% Versatile Development Sdn Bhd

Corporate Structure (Cont'd)

CORPORATE/ SERVICES DIVISION

- 100% Ganda Pesona Sdn Bhd
- 100% Metra Management Sdn Bhd
  - 100% Metra Nominees Sdn Bhd
- 100% First Cosmopolitan Sdn Bhd
- 24% Premier Capital Holdings Sdn Bhd ^

INTERNATIONAL DIVISION

- 100% Devanna Limited

LEISURE DIVISION

- 100% MWE Golf & Country Club Berhad

PLANTATION DIVISION

- 100% Fauzi-Lim Plantation Sdn Bhd

INDUSTRIAL DIVISION

- 90% Alu-Paste & Pigments Sdn Bhd
  - 43% Dongfeng Commercial Vehicle (Malaysia) Sdn Bhd
- 20% Dongfeng Commercial Vehicle (Malaysia) Sdn Bhd

^ Associate Company

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2016.

FINANCIAL PERFORMANCE

The Group recorded revenue of RM313.2 million for the financial year ended 31 March 2016 against RM370.3 million achieved in the previous 15-month period ended 31 March 2015.

However, a loss before tax of RM27.3 million was registered for the financial year ended 31 March 2016 as compared to profit before tax of RM31.0 million recorded in the previous 15-month reporting period. This was primarily due to impairment losses amounting to RM59.4 million on investment in associated company and unquoted investment.

At the Company level, loss before tax was RM26.3 million as compared to profit before tax of RM132.9 million posted in the previous 15-month period ended 31 March 2015. The loss was mainly due to lower dividend income received from subsidiaries coupled with impairment losses.

DIVIDEND

For the financial year ended 31 March 2016, the Company paid an interim dividend of 2% single tier (FY2015: 2% single tier) which represents a net dividend of 2.0 sen per share. The said interim dividend totalling RM4.6 million was paid to shareholders on 29 June 2016.

The Board does not recommend any final dividend for the financial year ended 31 March 2016.

REVIEW OF OPERATIONS

Textile Division

For the financial year ended 31 March 2016, our Textile Division recorded an impressive performance with profit before tax of RM27.0 million on the back of revenue of RM218.3 million. This was mainly due to stronger US Dollar in generating higher receipts from its export sales.

The overall strong performance was attributed to the management team which was swift by undertaking several measures to sustain and strengthen the division's potential, including cost control efforts and tightening of raw material consumption.

The year under review was an eventful year for our apparel operations due to:-

1) The conclusion of Tran Pacific Partnership Agreement ("TPPA") by 12-member countries where Vietnam and Malaysia are members and it is expected to be implemented in early 2018;

2) Vietnam and European Union Free Trade Agreement ("Vietnam-EU FTA") concluded in May last year and is likely to be fully enforced in early 2017; and

3) Malaysia and European Union Free Trade Agreement ("Malaysia-EU FTA") where negotiation had resumed in second quarter of 2016 and expected to be concluded in year 2017.

We believe that the incoming TPPA, Vietnam-EU FTA and Malaysia-EU FTA would definitely create a strong input to our division's strategic plan, making preparation for us to expand and tap into these respective markets. In addition, we anticipate the development of new products as well as our subsidiary, United Sweethearts Garment (Vietnam) Co. Ltd's phase 3 expansion project which is targeted for completion in December 2016 to contribute positively to our Textile Division's future earnings.

The operating landscape for apparel industry remains challenging in FY2017 given a number of persistent uncertainties ranging from sluggish global economy to rising operational costs. To cushion the impact of these unfavourable economic situations, the division will continue to streamline its operations, implement careful business strategies and expand its customers' base.

Telecommunications Division

The year under review was a challenging year for our Telecommunications Division. Export sales volume had declined mainly due to poor economic sentiment in the USA with lower sales recorded from both its ODM ("Original Design Manufacturer") and EMS ("Electronic Manufacturing Services") businesses.

For the financial year ended 31 March 2016, the division managed to post revenue of RM55.4 million. Profit before tax was reported lower, at RM2.5 million.

However, notwithstanding the above, we anticipate the demand for MobileHelp devices to pick up at the start of the new FY2017 as ODM business is beginning to show signs of recovery. In addition, the division had successfully secured new US customers on new projects amounting to USD1.0 million as well as its first Japanese customer. Besides that, enquiries for IoT ("Internet of Things") devices are increasing and we are hopeful it will turn into a favourable outcome soon.

The OEM ("Original Equipment Manufacturer") business remained relatively stable and it is delighted to note that there was a marginal increase in Pager sales orders. However, the launch of our new PERS ("Personal Emergency Recovery Services") product had been delayed due mainly to some technical issues with the performance of the device. We anticipate to launch this PERS product in the second quarter of FY2017 and coupled with the existing Pagers business, we believe that the OEM business will further improve in FY2017.

During the year, the division had completed the acquisition of a plot of land in Penang Science Park. Construction of the new factory will commence in July 2016 and we expect to move into the new facility in year 2017. Our Malaysian office is now an ATEX ("ATmosphere EXplosibles") certified facility, in addition to being an ISO 9001, 13485 and UL ("Underwriters Laboratory") certified factory. Our Singapore office is also in the process of achieving ISO 9001 certification and was accorded with Singapore Outstanding Enterprise Award Y2015, in addition to Singapore Enterprise Award Y2015 and Singapore Entrepreneur Award Y2015 accorded in the previous year.

Plantation Division

For the financial year ended 31 March 2016, our Plantation Division's revenue was lower. It recorded revenue of RM3.3 million and incurred a loss before tax of RM2.0 million.

The weaker result was mainly due to the increase in operational costs and further exacerbated by the drop in FFB ("Fresh Fruits Bunches") prices.

Industrial Division

For the year under review, the business environment for Dongfeng Commercial Vehicle (Malaysia) Sdn Bhd ("Dongfeng") remained tough due mainly to the stiff competition in the commercial vehicle industry and the after effect on the implementation of Goods and Service Tax in Malaysia.

The revenue for the financial year ended 31 March 2016 declined to RM19.2 million and recorded a loss before tax of RM4.4 million. The loss was primarily due to lower vehicles sales and impairment on slow moving stocks coupled with the increase in financing cost. The loss was further compounded by the depreciation of Ringgit Malaysia.

In order to remain in the increasingly competitive environment in FY2017, Dongfeng will continue to strengthen its sales force to generate stable sales growth and at the same time, focus on customers' needs and provide excellent after-sales support.

Chairman's Statement (Cont'd)

CORPORATE DEVELOPMENT

Subsequent to the financial year ended 31 March 2016, on 5 May 2016, the Company announced the disposals by its indirect wholly-owned subsidiary, Melati Mewah Sdn Bhd of its nine (9) pieces of leasehold lands, all located in the Mukim of Raja, District of Petaling, Selangor Darul Ehsan measuring approximately 481,925 sq. meters to Pristine Primavera Sdn Bhd for a cash consideration of RM54,930,000 and its entire shareholding of 25,000,000 ordinary shares of RM1 each representing 100% equity interest in MWE Golf & Country Club Bhd to Saujana Setara Sdn Bhd for a cash consideration of RM1 and the settlement of RM15.17 million in advances.

Both the disposal of the lands and company are inter-conditional and to be completed simultaneously. The said lands disposal is now pending the consent of the State Authority of Selangor.

PROSPECTS

The domestic economic growth is expected to be slower in the year ahead looking at the volatility in global economy especially with the slowdown of the Chinese economy and the Eurozone crisis post Brexit.

We continue to face more pressures from rising operational costs. Nevertheless, we are cautiously optimistic on the Group's performance in FY2017. The Group's key focus will be continuously reviewing our core strategies to improve cost efficiencies and at the same time, explore opportunities for growth in our various operating divisions.

APPRECIATION

The Board of Directors wishes to thank all valued and loyal shareholders, customers, business associates, advisors, suppliers, bankers, regulatory authorities and government agencies for their confidence and unwavering support to the Group.

To the management and staff of MWE Group, we value your dedication and hard work throughout this challenging year.

Lastly, I would like to put on record my sincere gratitude to my fellow Directors for their invaluable guidance and resolute support.

TAN SRI DATO' SERI (DR) ASEH BIN HAJI CHE MAT
Independent Non-Executive Chairman
30 June 2016

DIRECTORS' PROFILE

TAN SRI DATO' SERI (DR) ASEH BIN HJ CHE MAT
(Independent Non-Executive Chairman)

Malaysian, aged 65, was appointed to the Board of MWE Holdings Berhad ("MWE") on 23 July 2008 as an Independent Non-Executive Director and subsequently on 28 July 2008 as Independent Non-Executive Chairman. Tan Sri Aseh obtained his Bachelor of Economics (Honours) degree from the University of Malaya in 1974 and obtained his Masters in Public Administration degree from the University of Southern California, USA in 1984. In year 2007, Tan Sri Aseh received his PhD in International Relations from the Lim Kok Wing University of Creative Technology, Cyberjaya.

Upon his graduation in 1974, Tan Sri Aseh joined the Ministry of Finance as Assistant Secretary. Prior to his retirement in October 2007 as Secretary General of the Ministry of Home Affairs, he held various positions in the civil service, ranging from Principal Assistant Secretary in the Education Services Commission, serving Sarawak and Sabah for 7 years from 1977 to 1981, and other various positions in the Ministry of Home Affairs before being appointed Deputy Director-General of Immigration Malaysia and thereafter, Director-General of Immigration Malaysia.

Tan Sri Aseh is active in community services and is currently the Chairman of Yayasan Pesara Kerajaan, Chairman of Lim Kok Wing University Council, Chairman of FAM and Monitoring and Integrity Committee and President of Tiara Golf & Country Club, Melaka. Tan Sri Aseh was also active in the Administrative and Diplomatic Service (ADS) and was its longest serving President.

Tan Sri Aseh is currently an independent non-executive director of Lion Diversified Holdings Berhad, a public listed company.

Tan Sri Aseh does not hold any shares in MWE or its subsidiaries.

TAN SRI DATO' SURIN UPATKOON
(Non-Independent Non-Executive Director)

Thai, aged 67, was appointed to the Board of MWE Holdings Berhad ("MWE") on 29 July 1976.

Tan Sri Surin is currently the Managing Director of MPHB Capital Berhad, Chairman of Magnum Berhad and Magnum 4D Berhad respectively.

Tan Sri Surin has played a key role in the expansion and development of MWE Group of Companies. He was first appointed the Managing Director of MWE Spinning Mills Sdn Bhd on 30 November 1974, taking charge of its day-to-day operations. Subsequently, he was appointed the Managing Director of MWE Weaving Mills Sdn Bhd.

Tan Sri Surin is actively involved in community services for the benefit of education and charity. He is a Trustee of the Chang Ming Thien Foundation and Magnum Foundation, a Director of Kuen Cheng Girls' High School and also Vice President of Penang Table Tennis Association. He also sits on the boards of several public and private limited companies.

Tan Sri Surin does hold substantial shareholding in MWE. Details of his shareholdings are as set out in the Directors' Report for the year ended 31 March 2016. He is deemed to have interest in shares in all the subsidiaries to the extent MWE has an interest.

Directors' Profile (Cont'd)

TANG KING HUA
(Managing Director)

Malaysian, aged 58, was appointed as an Executive Director of MWE Holdings Berhad ("MWE") on 2 February 2000 and subsequently as a Managing Director on 28 August 2002. Mr. Tang graduated with a Bachelor degree in Industrial Engineering from Canada Technical University of Nova Scotia in 1982. He started his career in 1983 by working in a multi-national electronics company overseeing quality control, production and engineering functions.

Mr. Tang is an Industrial Engineer by profession and held various managerial positions in related industries before joining Eastrade Electronics (M) Sdn Bhd ("EESB") in 1986 as Operations Manager. Subsequently, he was appointed as Managing Director of EESB and was actively involved in the operations of EESB. He is responsible for the identification and penetration of any new and potential markets for the Group both locally and overseas.

Mr. Tang also sits on the boards of Kumpulan Europlus Berhad, a public listed company and several private limited companies in Malaysia and Singapore.

Mr. Tang does have shares in MWE and its subsidiaries. Details of his shareholdings in MWE and its subsidiaries are set out in the Directors' Report for the year ended 31 March 2016.

LIM KONG YOW
(Executive Director)

Malaysian, aged 61, was appointed to the Board of MWE Holdings Berhad ("MWE") on 11 December 2001. Mr. Lim obtained his professional qualifications from Chartered Institute of Management Accountants (United Kingdom) in 1982 and is a member of Malaysian Institute of Accountants. He has more than 20 years of working experience in the field of audit, accounting, management, tax and secretarial services.

Mr. Lim started his career by working in Multi-Purpose Holdings Berhad (now known as Magnum Berhad) attached to Internal Audit Department for 2 years before moving to Hong Leong Group of Companies. In December 1989, he joined MWE Group of Companies as a Group Chief Accountant and was later promoted to Group Financial Controller. He is principally involved in the accounting, administration, financial functions and management of the MWE Group. He sits on the boards of several private limited companies.

Mr. Lim does have shares in MWE. Details of his shareholdings in MWE are set out in the Directors' Report for the year ended 31 March 2016.

KRIAN UPATKOON
(Executive Director)

Thai, aged 37, was appointed to the Board of MWE Holdings Berhad ("MWE") as an Executive Director on 17 April 2014. Mr. Krian holds a Master of Science and Engineering in Computer Engineering and Bachelor of Science and Engineering in Computer Engineering, both from University of Michigan, Ann Arbor, USA.

He is currently the Chief Information Officer of Monhan Holdings Sdn Bhd, specialising in digital marketing and IT consulting services. He has more than 10 years of working experiences in web and application development, embedded development and all IT related infrastructure. Prior to this, he was previously employed in online video content delivery, network architecture, electronic games development and mobile technologies research.

Mr. Krian does not hold any shares in MWE and its subsidiaries.

DATO' LAWRENCE LIM SWEE LIN
(Independent Non-Executive Director)

Malaysian, aged 59, was appointed to the Board of MWE Holdings Berhad ("MWE") on 1 August 1989. Dato' Lim holds a Bachelor of Arts Degree in Economics (Honours) from the University of Sheffield and a Master Degree in Business Administration from University of Manchester, United Kingdom.

Dato' Lim started his career with a leading merchant bank in Malaysia where he was principally involved in syndications, debt securitisation and project financing.

He is currently the Executive Director of Magnum Berhad and Magnum 4D Berhad and the Chief Executive Officer of Magnum Corporation Sdn Bhd. He also holds directorships in various subsidiaries in the Magnum Group and a number of other private and public limited companies, both in Malaysia and overseas.

Dato' Lim does have shares in MWE. Details of his shareholdings are set out in the Directors' Report for the year ended 31 March 2016.

DATO' YOGESVARAN T. ARIANAYAGAM
(Independent Non-Executive Director)

Malaysian, aged 65, was appointed to the Board of MWE Holdings Berhad ("MWE") on 1 July 2008.

Dato' Yogesvaran is a Fellow of the Chartered Institute of Management Accountant, UK, a Chartered Accountant with Malaysian Institute of Accountants and an Associate Member of the British Institute of Management, UK.

Dato' Yogesvaran started his career as a Management Accountant with British Steel Corporation, England in 1974. Upon his return to Malaysia in 1976, he joined Aseambankers Malaysia Berhad and was the Senior Manager and Head of the Corporate Finance Division. In 1984, he left Aseambankers Malaysia Berhad and joined Sampoorna Holdings Berhad as its Chief Executive Officer. In November 1989, he joined Murnivest Sdn Bhd as Managing Director and currently he is the Managing Director of Asian Pac Management Sdn Bhd, a position he holds since January 2003. Dato' Yogesvaran brings along 30 years of experience in Corporate Finance, Financial Management and in Mergers and Acquisitions.

Dato' Yogesvaran also sits on the boards of Perisai Petroleum Teknologi Berhad, a public listed company and several private limited companies in Malaysia, Singapore and India.

Dato' Yogesvaran does not hold any shares in MWE or its subsidiaries.

TAN CHOR TECK
(Independent Non-Executive Director)

Malaysian, aged 54, was appointed to the Board of MWE Holdings Berhad ("MWE") on 14 September 2000. Mr. Tan graduated with a degree in Law & Arts from Melbourne University in 1984. He started his career by working on various projects in Sydney before returning to Malaysia in 1996.

Currently, Mr. Tan sits on the boards of several private limited companies that are involved in property development, property management and general investments.

Mr. Tan does have shares in MWE. Details of his shareholdings in MWE are set out in the Directors' Report for the year ended 31 March 2016.

PARTICULARS OF DIRECTORS

Name	Nationality	Details of membership in Board Committees	Family relationship with any director and/ or major shareholder of MWE	Conflict of interest with MWE	Convictions for offences within the past 10 years other than traffic offences
Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat *(Appointed on 23 July 2008)*	Malaysian/ Malay	-	NIL	NIL	NIL
Tang King Hua *(Appointed on 2 February 2000)*	Malaysian/ Chinese	-	NIL	NIL	NIL
Lim Kong Yow (Appointed on 11 December 2001)	Malaysian/ Chinese	-	NIL	NIL	NIL
Krian Upatkoon (Appointed on 17 April 2014)	Thai/ Chinese	-	Son of Tan Sri Dato' Surin Upatkoon, a Director and major shareholder of MWE	NIL	NIL
Tan Sri Dato' Surin Upatkoon (Appointed on 29 July 1976)	Thai/ Chinese	RC & NC	Father of Mr. Krian Upatkoon, an Executive Director of MWE	NIL	NIL
Dato' Lawrence Lim Swee Lin (Appointed on 1 August 1989)	Malaysian/ Chinese	AC	NIL	NIL	NIL
Tan Chor Teck (Appointed on 14 September 2000)	Malaysian/ Chinese	AC, NC & RC	NIL	NIL	NIL
Dato' Yogesvaran a/l T. Arianayagam (Appointed on 1 July 2008)	Malaysian/ Indian	AC, NC & RC	NIL	NIL	NIL

AC - Audit Committee
RC - Remuneration Committee
NC - Nomination Committee

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

MWE Holdings Berhad ("MWE") recognises the importance of being responsible in business and that we have a duty to make life better in the communities in which we operate. In order to achieve sustainable success over the long term, we need to build trust, develop mutual respect and make a real difference to our stakeholders by addressing issues that they care about.

MWE remains committed to a systematic and unwavering focus on our corporate responsibility at all levels. Being a good corporate citizen is embedded in every aspect of our operations; from ensuring highest standards in safety and health, to protecting the environment, operating with the highest business integrity and contributing to the communities where we work. This section describes the corporate citizenship efforts and accomplishments of MWE and the other subsidiaries in Malaysia.

HUMAN CAPITAL DEVELOPMENT AND WORKPLACE

The Group believes that employees are the key resources that drive long term and sustainable organisational successes. As such, the Group continuously promotes human capital development by encouraging and sponsoring the participation of our staff in internal and external training programmes and seminars that are relevant to their job functions to enhance knowledge and skills while promoting a motivated working team and fostering a closer relationship with each other.

The Group also recognised the efforts and valuable services contributed by the employees for so many years and has given out Seniority Awards to the loyalty staffs. Not forgetting that, the Group also has given out Education Awards to the children of the employees whom have performed well in their studies.

In addition to investing in human capital via training, the MWE Group acknowledges the importance of encouraging healthy living and camaraderie for a well-rounded work force. On this score, the Group played host for a range of sports activities and annual dinner with the aim of promoting good relationships with all employees so to create a sense of belonging amongst them. All these activities are expected to promote stronger bond among the staff and to unite all staff as one.

The Group also emphasised on health and safety aspects at the workplace and continues to roll out its ongoing Occupational Health and Safety ("OHS") initiatives which include OHS training, CPR and First Aid training for the purpose of effectively handling unprecedented emergency occurrence. All of these initiatives helped the Group to reduce the number of accidents and workdays lost during the year ended 2016.

COMMUNITY

The Group plays its role as a socially responsible corporate citizen in the community through various activities held with the aim of caring for the well-being of the society at large.

During the year, the Group continued to involve in various community activities, amongst others:-

i) Donation in monies and in-kind to the underprivileged and needy children, such as Penang Hospice Society, House of Hope Penang, Tabung Kaseh Buah Pinggang Kronik OKB HUSM, Pertubuhan membantu Pesakit Parah Miskin Malaysia, Society for the Severely Mentally Handicapped, the victims of the Nepal Earthquake, medical equipment to the Malaysia Association Help for the Poor Terminally Ill, computers to schools, Pusat Komunity Kluang for assisting the storm affected victims and contribution to some primary schools for the renovation /refurbishment of buildings; and

ii) Various types of sponsorships extended to Youngsters Basketball Club Penang, University Sains Malaysia for promoting Charity Chinese Culture Night 2016, Kelab Orkestra Huayue SMK Valdor, FMM Heritage Green Walk 2015.

Programmes like these keep us moving and motivated and we were proud to be part of these social activities and will continue to be supportive in these charitable deeds.

Statement on Corporate Social Responsibility
(Cont'd)

ENVIRONMENT

As an environmental socially responsible corporate citizen and continue to create awareness to love the Earth, the Group undertook several initiatives in preserving the environment including sponsorships to Go Green Project, upgrading its IT infrastructure on its move to a paperless environment, reducing the usage of papers via electronic communication and recycling paper waste as well as contributing through donations to the environmental programmes.

Continuous initiatives are carried out and practiced throughout the organization in aid of preserving the environment including:-

- Communication via emails to reduce usage of papers on letter or memorandum.
- Document management system in place to store documents electronically in pursuit of paperless environment.
- Staffs are encouraged to print double-sided to reduce usage of papers.

MARKET PLACE

To be socially responsible in the economic boundaries it operates by maintaining high integrity at the market place through ethical business conduct, good corporate governance practices and enhancement of the shareholders' value through exceptional management accounting practices. In achieving the corporate goals, the Group will not compromise its ethical values to provide fair and equitable opportunities to the stakeholders.

CORPORATE GOVERNANCE STATEMENT

MWE Holdings Berhad ("MWE" or "the Company") ethos is simple: Best practice in corporate governance is best practice in business. Upholding integrity and professionalism in its management of the affairs of MWE and its subsidiaries ("Group"), the Board aims to enhance business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value and safeguarding interests of other stakeholders.

As a public company listed on the Main Market of Bursa Malaysia Securities Berhad, the MWE Group conforms with the requirements, principles and best practices of corporate governance establishing by the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

BOARD OF DIRECTORS

1. Board Charter

The main objective of the Company's Board Charter is to set out the roles and responsibilities of the Board of Directors. The Board is guided by the Board Charter which provides reference for directors in relation to the Board's role, powers, duties and functions. The Board Charter also outlines processes and procedures for the Board and their committees to be effective and efficient. The Board will regularly review the Board Charter to ensure it remains consistent with the Board's objectives and responsibilities, and all the relevant standards of corporate governance.

The details of the Board Charter is available on the Company website at www.mweh.com.my.

2. Board Composition & Board Balance

As at the date of this Statement, the Board comprises one (1) Group Managing Director, two (2) Executive Directors, and a strong presence of five (5) Non-Executive directors out of whom, four (4) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Hence, the number of independent & non-executive directors make up more than one third (1/3) of the memberships of the Board and their presence provided fair and independent view to the Board.

The Board is satisfied that the current composition, with a balance mix of executive and non-executive members does fairly represent the investment of the majority and minority shareholders in the Company. The current Board brings with it a broad range of business, financial and technical background. This balance enables the Board to provide clear and effective leadership to the Group and bring informed and independent judgment to many aspects of the Group's strategy and performance. Furthermore, the current number of Board members is conducive for efficient deliberations at Board Meetings and effective conduct of Board decision making.

The respective roles of Chairman, the Managing Director and Executive Directors are clearly defined, so as to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct, whilst the Managing Director and Executive Director have overall responsibility for the operating units, organisational effectiveness and implementation of Board policies and decisions. The Group Managing Director acts as the Group's official spokesperson and is also responsible for planning the future direction of the Group for the Board's consideration and approval.

The Board also delegates specific responsibilities to various committees such as Audit Committee, Nomination and Remuneration Committee to assist in discharging their duties. The management functions have been delegated to the managing and executive director. The delegation of authority by the Board enables the Board to achieve operational efficiency and yet maintain control over major policies and decisions.

The Board has nominated Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat, the Chairman of the Board, to whom any concerns of shareholders or investors may be conveyed.

The Board is also mindful of the recommendation of the MCCG 2012 on limiting the tenure of independent directors to nine (9) years of service. Each of the four (4) Independent Directors of the Company has provided an annual confirmation of his independence to the Nomination Committee and to the Board. The Nomination Committee and the Board have determined at the assessment carried out on the independent directors, in particular Dato' Lawrence Lim Swee Lin and Mr Tan Chor Teck, who have both served on the Board of more than nine (9) years, that:-

(a) they have no interest or ties in the Company that could adversely affect independent and objective judgement and place the interest of the Company above all other interests;

(b) they have met the criteria for independence as set out in Chapter 1 of the MMLR of Bursa Securities;

(c) they continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company; and

(d) they exercise due care as Independent Directors of the Company and carries out their profession and fiduciary duties in the best interest of the Company and shareholders.

The Board is of the view that there are significant advantages to be gained from the long-serving Directors who possess great insight and knowledge of the Company's affairs.

In line with the recommendations of the MCCG 2012, the Company will be seeking shareholders' approval at the forthcoming Annual General Meeting to allow Dato' Lawrence Lim Swee Lin and Mr Tan Chor Teck to continue to act as an Independent Director of the Company. Upon the consent of Dato' Lawrence Lim and Mr Tan, the Board therefore, recommends and supports the continuation in office of both of them as independent Directors of the Company.

The profiles of the Members of the Board are presented on pages 9 to 11 of the Annual Report.

3. Board Gender Diversity

The Board has always placed gender diversity as an agenda in strengthening the performance of its Board and/or Board Committees. Notwithstanding this, the Board is of the view that while it is important to promote gender diversity, the normal selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualification, experience and capabilities. In respect of the target set out under the Corporate Governance Blueprint 2011 for women participation on Boards to reach 30% by year 2016, the Board has decided not to set specific targets for the Company. However, female representation will be considered when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.

4. Duties and Responsibilities of the Board

The Board is explicitly responsible for the stewardship of the Company and in discharging its obligations. The Board assumes, amongst others, reviewing and adopting strategic plan, overseeing the proper conduct of business, succession plan, risk management, shareholders' communication, internal controls, management information systems to measure and manage risks. The presence of independent non-executive directors helps in providing independent and constructive views, advice and opinions to the benefit of the investors, customers, and other stakeholders. They also represent the element of objectivity, impartiality and independent judgment of the Board. This ensures that there is adequate check and balance at the Board level.

5. Board Meetings and Supply of Information to the Board

The calendar for Board meetings providing scheduled dates for meetings of the Board, Board Committees and annual general meeting as well as the Board Annual Calendar providing major items on the agenda for each financial year are fixed for the whole year in advance so as to enable Management to plan ahead and ensure the Board meetings are booked into their respective schedules.

As stated in the Board Charter, the Board shall meet at least four (4) times in each financial year. Board meetings are convened immediately upon the finalisation of MWE Group's quarterly and annual results, to review and approve of the results for submission to Bursa Securities. Additional Board meetings are also held when warranted by situations such as to deliberate urgent corporate proposals or matters that require expeditious direction of the Board.

Board meetings are conducted in accordance to a structured agenda. Board members are provided with the agenda together with relevant documents and information in advance of each Board meeting. This is to facilitate the Directors to peruse the Board papers and seek clarification that they may require from the Management or the Company Secretary well ahead of the meeting date. Urgent papers may be presented for tabling at the Board meetings under supplemental agenda.

The Chairman of the Audit Committee would inform the Directors at Board meetings of any significant audit findings deliberated by Audit Committee which require Board's attention and approval for implementation.

At the Board meetings, the Board reviews management reports on the business performance of the Company and its subsidiaries. The papers of the Board meetings are presented in a concise and comprehensive format. Board meeting papers include progress reports on business operations, detailed information on business propositions and corporate proposals including the relevant supporting documents.

The Directors have a duty to make an immediate declaration to the Board if they have any interests in transactions to be entered into directly or indirectly with MWE Group. The interested Directors would serve notice to the Board and thereupon abstain themselves from deliberations and decisions of the Board on the transaction. In the event where a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting. In respect of their shareholdings in MWE, on the resolutions relating to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.

Minutes of Board meeting are circulated to all Directors for their perusal prior to the confirmation of the minutes at the following Board meeting. The Directors may request further clarification or raise comments on the minutes prior to the confirmation of the minutes as a correct record of proceedings of the Board.

The Board has direct access to the senior management and has full unrestricted access to any information relating to the Group's operations in the discharge of their duties and may require to be provided with further details or clarification on the Board meeting agenda items.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary.

The Directors are regularly updated by the Company Secretary on the new statutory as well as regulatory requirements relating to the Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

The Company Secretary serves notice on closed period to the Directors and the principal officers to notify them of closed periods for trading in MWE shares, pursuant to the requirements stated in Bursa Securities MMLR.

The Company Secretary attend all Board meetings and ensures that accurate and adequate records of the proceedings of Board meetings and the decisions made are properly kept.

The Directors remain fully committed in carrying out their duties and responsibilities as reflected by their attendance at the seven (7) Board meetings held during the financial year ended 31 March 2016 as follows:

Directors	Attendance
Tan Sri Dato' Seri (Dr) Aseh bin Hj. Che Mat	6/7
Tang King Hua	7/7
Lim Kong Yow	7/7
Tan Sri Dato' Surin Upatkoon	5/7
Dato' Lawrence Lim Swee Lin	7/7
Dato' Yogesvaran a/l T. Arianayagam	7/7
Tan Chor Teck	7/7
Krian Upatkoon	6/7

The Board is thus, satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

6. Board Committees

The Board has delegated certain functions to the Committees it established to assist in the execution of its responsibilities. The Committees operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Committees reports to the Board the outcomes of the Committee meeting and such reports are included in the Board papers.

A summary of the various Committees at MWE and their compositions are as follows:-

Name	Audit Committee	Remuneration Committee	Nomination Committee
Tan Sri Dato' Surin Upatkoon	-	member	member
Dato' Yogesvaran a/l T. Arianayagam	Chairman	member	member
Dato' Lawrence Lim Swee Lin	member	-	-
Tan Chor Teck	member	Chairman	Chairman

(a) Audit Committee

The terms of reference of the Audit Committee are set out under the Audit Committee Report.
The Audit Committee meets not fewer than four (4) times a year.

(b) Nomination Committee

The key responsibilities of the Nomination Committee are as follows:-

- To oversee the selection and assessment of Directors and to ensure that the Board composition meets the needs of the Group;
- To facilitate and review Board induction and training programmes to newly appointed Directors;
- To review training programmes for Directors and ensure that Directors receive appropriate continuous training programmes;
- To carry out the annual assessment of the independence of the independent directors and determine whether a director is independent as defined in Bursa Securities MMLR; and
- To assess annually the effectiveness of the Board as a whole, the standing committees of the Board and the contribution of each individual Director, including the Independent Non-Executive Directors, the Group Managing Director and the Executive Director through a process directed by the Board.

All assessments and evaluations carried out by the Nomination Committee are properly documented.

The Nomination Committee meets as and when required, and at least once a year.

(c) Remuneration Committee

- To recommend a framework of remuneration for Executive Directors' remuneration, in particular, the remuneration packages for the Executive Directors in all its forms; and
- To review and deliberate on the quantum of Directors' annual fees.

The Remuneration Committee meets as and when required, and at least once a year.

7. Board Evaluation

The Board conducted an annual evaluation on the performance of the Board and its Board Committees. The evaluation process is led by the Nomination Committee and supported by the Company Secretary. The evaluation results are considered by the Nomination Committee which then make recommendations to the Board, are aimed at helping the Board to discharge its duties and responsibilities. The evaluation is based on specific criteria, covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process, the Group Managing Director's performance and Board governance.

Following the evaluations, the Board concluded that:-

(a) The Board as a whole and its Committees had performed well, were effective and had all the necessary skills, experiences and qualities to lead the Company; and
(b) The individual Directors possess the requisite knowledge, competence and skills to effectively discharge their respective roles and to add value to the Company.

The Board has also undertaken an annual assessment of the independence of its Independent Directors with the support of the Company Secretary. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

8. Appointment to the Board

Any proposed appointment of new director to the Board will be deliberated at the Nomination Committee to ensure that the process of nominating and appointing new members to the Board is fair and transparent.

The decision as to who shall be nominated remains the responsibility of the full Board after considering the recommendations of the Nomination Committee. The Board, through the Nomination Committee, will review the suitability of an individual to be appointed taking into account the skills, expertise, background and experience.

MWE does not have a policy on boardroom diversity but support genders equality. The Nomination Committee believes in providing equal opportunity to all candidates and in evaluation the appointment of Directors, looks for diversity of skills and experience in its Directors.

9. Re-election of Directors

The capacity, energy and enthusiasm of a Director is not necessarily link to age. It is deemed not appropriate to prescribe age limits for the retirement of Directors. The Board believes in having a healthy mix of age and experience and therefore does not prescribe a minimum or maximum age limit of the Board apart from what is laid down under the Companies Act, 1965. Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over seventy (70) years of age shall retire at every Annual General Meeting and may offer themselves for re-appointment to hold office until the next Annual General Meeting.

In accordance with the Company's Articles of Association ("the Articles"), all Directors are subject to election at the first Annual General Meeting after their appointment. A Director shall at least once every three (3) years retire at each Annual General Meeting in compliance with the MMLR of Bursa Securities.

The Articles also provide that at least one third (1/3) of the Directors, or, if their number is not a multiple of three (3), the number nearest to but not exceeding one-third (1/3) shall retire from office at each Annual General Meeting and offer themselves for re-election by rotation at each Annual General Meeting. This provides an opportunity for the Company's shareholders to renew their mandate. Directors who are appointed by the Board during the financial year shall be subject to re-election at the next Annual General Meeting after their appointment.

Retiring Directors who are seeking re-election are subject to Directors' assessment overseen by the Nomination Committee. Following the assessment, the Board, on the recommendation by the Nomination Committee, make a determination as to whether it will endorse a retiring Director for re-election and/or re-appointment. As a policy, the Board itself would also assess, evaluate and determine the independence of an independent Director when he is due for retirement and/or re-appointment at the annual general meeting of the Company, notwithstanding that the tenure of the Independent Director has been more than nine (9) years.

Upon the recommendation of the Nomination Committee, the following Directors shall retire at the forthcoming annual general meeting and had offered themselves for re-election:-

(a) Mr Tang King Hua, retiring pursuant to Article 109 of the Articles of Association of the Company; and
(b) Dato' Yogesvaran T.Arianayagam, retiring pursuant to Article 109 of the Articles of Association of the Company

10. Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme conducted by the Approved Organiser. The Directors aware and are encouraged to attend continuing education training programmes to keep themselves abreast of the current developments and business environment affecting their roles and responsibilities to the Group.

During the financial year ended 31 March 2016, all the directors have attended the following training programme:

Director		Topic
Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat	-	Leadership for sustainable growth
Tan Sri Dato' Surin Upatkoon	-	Leadership for sustainable growth
Tang King Hua	-	Leadership for sustainable growth
Krian Upatkoon	-	Leadership for sustainable growth
Dato' Yogesvaran T. Arianayagam	-	Leadership for sustainable growth
Tan Chor Teck	-	Leadership for sustainable growth
Lim Kong Yow	- - - -	Leadership for sustainable growth Advocacy session on management discussion & analysis for chief executive officers & chief financial officer of listed issuers Future of auditor reporting – the game changer for boardroom Sustainability engagement series – customized programmes for directors/chief executive officer of listed issuers
Dato' Lawrence Lim Swee Lin	- - - -	Leadership for sustainable growth Lead the Change: Getting Women on Boards Building effective finance functions from reporting to analytics to strategic input Sustainability engagement series – customized programmes for directors/chief executive officer of listed issuers

11. Directors' Remuneration

The Remuneration Committee is entrusted with the responsibility of developing the policy on Group Managing Director and Executive Director ("GMD&ED") remuneration package and recommending to the Board the remuneration and compensation of GMD&ED.

The determination of the remuneration package of the Non-Executive Directors shall be a matter for the Board as a whole, with the Director concerned abstaining from deliberation and voting on decisions in respect of his remuneration.

Directors' fees are approved by the shareholders together with the Audited Financial Statements of the Company at the Annual General Meeting.

The aggregate remuneration of the Directors for the financial year ended 31 March 2016, are categorised into the following components:-

	Fees (RM)	Salary (RM)	Bonus and Incentive (RM)	EPF (RM)	Other Emoluments (RM)	Total (RM)
Executive Directors	126,000	1,521,000	374,175	193,519	10,000	2,224,694
Non-Executive Directors	228,000	-	-	-	23,500	251,500
Total	354,000	1,521,000	374,175	193,519	33,500	2,476,194

The number of Directors whose remuneration fall in each successive band of RM50,000 are set out below:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below 50,000	1	4
50,001 - 100,000	-	1
600,001 – 650,000	1	-
1,500,001 – 1,550,000	1	-

RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of maintaining accountability and transparency to its shareholders through regular and timely dissemination of information to shareholders of the Company via annual report and financial statements, circulars to shareholders, quarterly financial reports and various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operations to facilitate informed investment decisions.

The Annual General Meeting ("AGM") provides an appropriate forum for the shareholders to dialogue with the Board. Additionally, queries from investors and potential investors are dealt with by our Investor Relations. The Company also has its own website www.mweh.com.my with contact details of a dedicated officer for such purpose. At the AGM, the Chairman of the Board reviews the progress and performance of the Company with the shareholders. A question and answer session is also conducted to allow shareholders the opportunity to question Management on the Company's business and the proposed resolutions. The Chairman, the Board members and the external auditors are available at the AGM to respond to questions.

Care has been taken to ensure that no market sensitive information, such as corporate proposals, financial results or other material information is disseminated to any party without first making an official announcement to the Bursa Securities.

Apart from the mandatory announcement on the Group's financial results and corporate developments to Bursa Securities, investors and members of the public who wish to contact on any matters can channel their questions through email to info@mweh.com.my. All shareholders' queries will be received by the Company Secretary who will provide feedback and responses to shareholders' queries where such information can be made available to the public.

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board holds responsible to provide and present to its shareholders the Group's financial performance and prospects at the end of each financial year, through its annual financial statements, quarterly and half-yearly announcement of results to shareholders as well as the Chairman's Statement and review of operations in the annual report. The Board takes appropriate steps to present a clear and balanced assessment of the Group's position and prospects. This also applies to other price-sensitive public announcements and reports to the regulatory authorities.

The Group's financial statements and quarterly announcements, prepared using appropriate accounting policies, consistently and supported by reasonable and prudent judgments and estimates, will be reviewed and deliberated by the Audit Committee in the presence of the external auditors, internal auditors of the Company and the Finance Manager prior to recommending them for adoption by the Board. The Audit Committee ensures that the information to be disclosed are accurate, adequate and in compliance with the various disclosure requirements imposed by the relevant authorities. The Board discusses and reviews the recommendations proposed by the Audit Committee prior to its adoption. The Board also ensures accurate and timely release of the Group's quarterly and annual financial results to Bursa Securities.

2. Related Party Transactions

The Company has an internal compliance framework to ensure its obligations under the MMLR including the obligation relating to related party transactions. Processes and procedures are in place, to ensure that Recurrent Related Party Transactions are entered into on terms not more favourable to related parties than to the public. This is achieved after taking into account the pricing and contract rates, terms and conditions, level of service and expertise required, and the quality of products and services provided, as compared to prevailing market prices and rates, industry norms and standards as well as general practice, adopted by service providers of similar capacities and capabilities generally available in the open market.

3. Risk Management Framework and Internal Controls

The Group outsourced its internal audit function to a professional services firm to provide the Audit Committee and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control and governance systems. The internal audit's role is to provide independent reports on the organisation's management, records, accounting policies and controls to the Board.

The internal audit function reports directly to the Audit Committee and its findings and recommendations are communicated to the Board.

The Board acknowledges that it is responsible for maintaining a sound system of risk management and internal controls, which provides reasonable assessment of effective operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A Statement on Risk Management and Internal Control of the Group is set out on Page 30 of the Annual Report.

4. **Relationship with the Auditors**

The Audit Committee meets with the Group's external auditors at least twice a year without the presence of the Management to review the scope and adequacy of the audit process, the annual financial statements and their audit finding. The Audit Committee also meets with the external auditors whenever it deemed necessary. In addition, the external auditors are invited to attend the annual general meeting of MWE and are available to answer shareholders' questions relating to conduct of the statutory audit and the preparation and contents of their audit report. The external auditors will report to the Audit Committee and the Management on any weaknesses in the internal control systems and any non-compliance of accounting standards that come to their attention in the course of their audit.

The services provided by the external auditors include statutory audits and non-audit services. The terms of engagement for the services rendered by the external auditors are reviewed by the Audit Committee and approved by the Board. The Audit Committee also reviews the non-audit services and subsequently recommends to the Board for approval. Though the declaration of independence, integrity and objectivity made by the external auditors in their status audit report for each financial year end would suffice to serve as a written assurance from the external auditors on their independence and integrity, the Audit Committee ensures that the independence and objectivity of the external auditors are not compromised by conducting annual assessment to review and monitor the suitability and independence of the external auditors and is guided by a Framework on the Appointment/Re-appointment of External Auditors approved by the Board.

CODE AND POLICIES

1. **Code of Ethics and Conduct**

The Directors continue to adhere to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. In addition, the Board has established a Code of Ethics and Conduct for Directors that aims to outline the standards of business conduct and ethical behaviour which the Directors should possess in discharging their duties and responsibilities, and to enhance the high standards of personal integrity and professionalism of the Directors.

2. **Whistle-Blowing Policy**

The Whistle-Blowing Policy of the Company was adopted on 26 April 2013 following the introduction of the Whistleblower Protection Act 2010 to enhance the coverage and protection to whistleblowers, which encompasses report of suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group.

The aim of this policy is to encourage the reporting of such matters, in good faith, with the confidence that employees making such reports will, to the extent possible, be protected from reprisal.

The Whistle-Blowing Policy is posted on the Company's website at www.mweh.com.my for ease of access for reporting by employees and associates of the Group.

3. **Corporate Disclosure Policy**

The Board places importance in ensuring disclosure made to shareholders and investors is comprehensive, accurate and on a timely and even basis as it is critical building and maintaining corporate credibility and investor confidence. A Corporate Disclosure Policy for the Group to set out the policies and procedures for disclosure of material information is being addressed, following the emphasis of Bursa Securities as outlined in its Corporate Guide.

This Corporate Governance Statement has been approved by the Board of MWE on 29 June 2016.

ADDITIONAL CORPORATE DISCLOSURES

Share Buybacks

As at 31 March 2016, the number of treasury shares held was 1,324,000. None of the treasury shares were resold or cancelled during the financial year ended 31 March 2016.

Utilisation of Proceeds

During the financial year, there were no corporate proposals in which proceeds had been raised.

Options, Warrants or Convertible Securities

No options, warrants or convertible securities were exercised during the financial year.

Imposition of Sanctions/Penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiary companies, directors or management by the relevant regulatory bodies.

Non-Audit Fees

During the financial year ended 31 March 2016, the Company has paid RM5,000/- to the external auditors, Messrs Ernst & Young for reviewing the Statement of Risk Management and Internal Control.

Profit Estimate, Forecast or Projection

There were no variances of ten percent (10%) or more between the results for the financial year and the unaudited results and the profit forecast previously made or released by the Company.

Profit Guarantee

During the financial year ended 31 March 2016, there were no profit guarantees given by the Company.

Material Contracts involving Directors/Substantial Shareholders' interests

During the financial year ended 31 March 2016, there were no material contracts on the Company and its subsidiaries involving directors or substantial shareholders' interest.

Depository Receipt Programme

During the financial year ended 31 March 2016, the Company did not sponsor any depository receipt programme.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), the requirements of the CA in Malaysia, and the Main Market Listing Requirements.

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

In preparing the financial statements for the year ended 31 March 2016, the Directors have:-

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

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

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

AUDIT COMMITTEE REPORT

The Audit Committee of MWE Holdings Berhad ("MWE" or "the Company") was established by the Board of Directors ("Board") of the Company with the primary objectives of assisting the Board in discharging its statutory duties and responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Company and its subsidiaries ("the Group"). The Audit Committee has become in recent years, one of the main pillars of the corporate governance system in public companies.

With new responsibilities and increasing complexities, being a member of the Audit Committee has never been more challenging.

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the internal auditors, external auditors and Management staff.

Save as disclosed, the Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

MEMBERS

The Committee comprises three (3) Independent Non-Executive Directors. The following are the Committee members:-

Dato' Yogesvaran a/l T. Arianayagam (Chairman)
Dato' Lawrence Lim Swee Lin
Tan Chor Teck

Dato' Yogesvaran a/l T Arianayagam is a Fellow of the Chartered Institute of Management Accountant, UK, a Chartered Accountant with Malaysian Institute of Accountants and an Associate Member of the British Institute of Management, UK. Accordingly, MWE complies with paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

SUMMARY OF TERMS OF REFERENCE

1. **Composition**

The Committee members shall:-

- be appointed from members of the Board of Directors;
- consist of not less than three (3) in number and any vacancy, which affects the composition, must be filled within three (3) months;
- comprise fully, independent directors;
- elect a Chairman from among their number, who is an independent director;
- not be an alternate director; and
- be reviewed by the Board of Directors the term of office and performance of the Audit Committee and each member no less than once in every three (3) years.

2. **Authority**

The Committee is authorised by the Board and at the cost of the Company, to carry out the following:-

- to investigate any activity within its terms of reference;
- to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee;
- to obtain outside legal or other independent professional advice as necessary; and
- to meet with the external auditors of the Company, without the attendance of the executive members of the Committee, whenever deemed necessary.

3. **Duties and responsibilities**

The duties and responsibilities of the Audit Committee shall include the following:-

Internal Audit
- To review and report the adequacy of the scope, functions, competency and resources of the internal audit department and ensure that it has the necessary authority to carry out its work;
- To review the results of the Group's internal audit procedures and the adequacy of actions taken by the Management based on the reports; and
- To review any appraisal or assessment of the performance of the internal auditors and approve any appointment or termination of the internal auditors.

External Audit
- To review with the external auditors, the audit plan, scope of the audit and the areas of audit of the Group;
- To review with the external auditors, their evaluation of the system of internal controls and audit findings;

- To discuss problems and reservations arising from the audit, and any other matters the auditors may wish to discuss;
- To review the external auditors' management letter and Management Response;
- To review the audit report with the external auditors;
- To review any report the assistance given by the Company's Officers to the external auditors and the overall conduct of the audit;
- To review the competency, independence and suitability of the external auditors for recommendation to the Board on their appointment/re-appointment and the audit fee thereof;
- To make appropriate recommendations to the Board on matters of resignation or dismissal of external auditors;
- To approve the provision of non-audit services by the external auditors; and
- To assess annually on the independence of the external auditors, obtaining from the external auditors a written statement delineating all relationships between the audit and the Group and delineating any other relationships that may adversely affect the independence of the external auditors.

Financial Reporting

- To review the annual audited financial statements of the Group and quarterly results of the Group, and thereafter submit them to the Board for approval, focusing particularly on:
  - True and fair view of the Group's financial position and performance;
  - Changes in or implementation of new accounting policies and practices;
  - Significant adjustments arising from the audit;
  - The going concern assumption;
  - Significant and unusual events; and
  - Compliance with applicable approved accounting standards and other legal and regulatory requirements.
- To ensure prompt publications of annual audited financial statements.

Risk Management

- To review the adequacy and effectiveness of risk management and internal control systems instituted within the Group.

Related Party Transactions

- To review any related party transactions that may arise within the Group.

Other Function

- To review the adequacy and effectiveness of risk management and internal control systems instituted within the Group.

MEETINGS AND MINUTES

Meetings of the Committee shall be held regularly, and as often as necessary. Other directors of the Company and relevant personnel may only attend meetings at the invitation of the Committee. If required, the presence of the external auditors at the meeting of the Committee may be requested. The auditors, both internal and external, may request the Committee to convene a meeting if one is necessary, to consider any matter which any of the auditors believe should be brought to the attention of the Directors and/or shareholders of the Company.

The quorum shall consist of a majority of Committee members who must be independent directors.

The Secretary shall be responsible in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of meetings for the Committee, and circulating them to the Committee members and to other members of the Board as the Committee deems necessary.

The Company Secretary will act as the Secretary of the Committee.

The Committee convened five (5) meetings during the financial year ended 31 March 2016 and the attendance record is as follows:-

Name of Audit Committee Members	Attendance at Audit Committee Meetings
Dato' Yogesvaran a/l T. Arianayagam	5/5
Tan Chor Teck	5/5
Dato' Lawrence Lim Swee Lin	5/5

SUMMARY OF ACTIVITIES

During the financial year under review, the Audit Committee undertook the following activities:-

1. **Financial Reporting**

   - Reviewed financial statements including quarterly financial announcements to Bursa Securities and year end financial statements and recommend the same for approval by the Board of Directors, upon being satisfied that, inter-alia, the financial reporting and disclosure requirements of the relevant authorities had been complied with.

2. **External Audit**

   - Discussed and reviewed with the external auditors, the external audit plan and approach, results of their examinations, auditors' report and Management issue highlights relating to audit and updates on Financial Reporting Standards in Malaysia; and
   - Convened separate meetings with the external auditors without the presence of Executive Directors and Management.

3. **Internal Audit**

   - Reviewed the annual internal audit plan/ reports including its scope, basis of assessments and risks ratings of the proposed areas of audit and discussed internal audit findings/ recommendations and Management response with Internal Audit;
   - Monitored the corrective actions taken on the outstanding audit issues to ensure that all key risks and control lapses have been addressed;
   - Reviewed the effectiveness of the audit process, staffing requirements at the Internal Audit Firm for the year and the skills and the core competencies of the Internal Auditors and to assess the performance of the overall Internal Audit Firm.

4. **Related Party Transaction**

   - Reviewed related party transactions that arose within the Company and the Group and to ensure that the transactions are fair and reasonable to, and are not to the detriment of the Company's minority shareholders.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to a reputable professional services firm with international affiliation, which is independent from the activities of the Company and reports directly to the Audit Committee, who in turn decides on the remit of the internal audit function.

Its principal responsibility is to provide independent assessments of the Group's internal control systems to ensure adequate, efficient and effective compliance with systems and standard operating procedures in each of the operations in the Group and the scope encompasses the audits of all the companies within the Group over a period of two (2) years per cycle. The Audit Committee has received several reports from the Internal Auditors on the audit work, recommendations and management's responses prior to the Committee meetings. During the year, it had carried out the audits according to the audit plan, which had been approved by the Audit Committee.

The final internal audit reports undertaken during the year were forwarded to the Management for necessary corrective and preventive actions as recommended. The Management is responsible for ensuring that the actions are implemented within the required time frame.

The cost incurred for the internal audit function in respect of the financial year ended 31 March 2016 was RM33,000/-.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements, the Board of Directors of listed issuers is required to include in their annual report, 'a statement about the state of risk management and internal controls of the listed issuer as a group'. Accordingly, the Board is pleased to provide the following statement that was prepared in accordance with the 'Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers' as endorsed by Bursa Securities, which outlines the nature and scope of risk management and internal control of the Group during the financial year under review.

Board Responsibility

The Board recognises its overall responsibility in promoting good corporate governance and maintaining a sound system of risk management and internal control and the need to review its adequacy and integrity of those systems on a regular basis to safeguard the shareholders' interests and the Group's assets. Such system covers not only financial controls but also operational and compliance controls. In view of the limitations inherent in any system of risk management and internal control, such a system is designed to manage and reduce the risk, rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, financial loss or fraud.

Risk Management Framework

The Board acknowledges that the Group's business activities involve some degree of risks and key management staff and Heads of Department are responsible for managing identified risks within defined parameters and standards.

Though the Group does not have a specific committee for overseeing the risks of the Group but the Board has identified a competent staff, the Chief Financial Controller with the assistance of key management staff to identify, evaluate and managing the significant risks faced by the Group. During the year under review, the process was carried out through periodic management meetings held to communicate and deliberate key issues and risks amongst Management team members and where appropriate, controls are devised and implemented. Significant risks identified are escalated to the Board for their attention by the Group Managing Director or the Chief Financial Controller.

The abovementioned practices by the Management serves as the ongoing process used to identify, assess and manage key business, operations and financial risks faced by the Group.

Key Elements of Internal Control

The other key elements of the Group's internal control systems are:-

1. A defined organisational structure with clear lines of accountability and a documented delegation of authority that sets out the decisions that need to be taken and the appropriate authority levels of management including matters that require the Board's approval.

2. The Audit Committee reviews the quarterly financial reports, annual financial statements and the internal audit reports on a periodic basis.

3. Discussions with Management were held to deliberate on the actions that are required to be taken to address internal control matters identified by the outsourced internal audit function.

4. A comprehensive business planning and budgeting process which establishes plans and targets against which performances are monitored on an on-going basis. The business planning process of the Group determines business objectives, examines strengths, weaknesses, opportunities, threats and key business risks, from which action plans are formulated thereon.

5. The Group has also in place a Whistle Blowing Policy approved by the Board. The policy encourages employees to report any wrongdoing by any persons in the Group to the proper authorities so that appropriate action can be taken immediately. The policy outlines the principles, procedures and actions to guide staff in directing their information to the appropriate designated officers and includes provisions to safeguard the confidentiality of the complainant and measures to avoid abuse of the policy for purposes of making false or malicious allegations.

6. Adequate insurance and physical security of major assets are in place to ensure the Group's assets are sufficiently covered against any mishap that will result in material losses to the Group.

7. Comprehensive guidelines on the employment, performance appraisal and training program and retention of employees are in place, to ensure that the Group has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

8. Internal policies and procedures had been established for key business units within the Group. Certain subsidiaries within the Group are ISO accredited.

Assurance on Risk Management and Internal Control to the Board

The responsibility for reviewing the adequacy and integrity of the risk management and internal control systems has been delegated by the Board to the Audit Committee. In turn, the Audit Committee assesses the adequacy and integrity of the risk management and internal control systems through independent reviews conducted via reports it received from the external auditors, internal auditors and management.

The Group outsourced its internal audit function to a professional services firm to provide the Audit Committee and the Board with the assurance they require pertaining to the adequacy and effectiveness of the internal control. During the financial year, the internal audit function carried out internal audit reviews in accordance with the risk based on internal audit plan approved by the Audit Committee. The areas reviewed during the financial year were as follows:

- Financial Statement Close Process of Daviscomms (S) Pte Ltd
- Sales and Marketing Process of Daviscomms (S) Pte Ltd
- Procurement Process of United Sweethearts Garments Sdn Bhd

Findings from the internal audit reviews, including the corrective actions to be implemented by Management, were discussed with Senior Management of the auditable entity prior to presenting to the Audit Committee at their scheduled meetings. In addition, the internal audit function also carried out follow-up visits to ensure recommendations for improvement on the internal control system are satisfactorily implemented. Although a number of internal control weaknesses were identified, none of the weaknesses have resulted in any material losses or contingencies that would require separate disclosure in this annual report.

The Group's system of risk management and internal control applies principally to the Group and its subsidiaries but do not apply to associates where the Group does not have full management control and/or majority Board representation. Notwithstanding this, the Group's interest is served through representation on the Board of the associates. This representation also provides the Board with information for timely decision-making on the continuity of the Group's investments based on the performances of the associates.

Assessment from the Board

The Board is of the view that the risk management and internal control system in place throughout 2015 up to the date of approval of this statement is operating adequately and effectively, in all material aspects, and has received the same assurance from both the Managing Director and the Chief Financial Controller of the Group.

The Board is committed in ensuring continuous review of the system to effectively safeguard shareholders' investments, the interests of customers, regulators and employees, and the Group's assets.

Review of External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2016, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects, has not been prepared in accordance with the disclosure required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate. The external auditors' report was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and for no other purpose or parties. As stated in their report, the external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon.

FINANCIAL STATEMENTS

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

Principal activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associates are disclosed in Notes 10 and 11 to the financial statements, respectively.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Loss net of tax	(36,679,721)	(26,488,250)
Loss attributable to:		
Owners of the parent	(35,156,242)	(26,488,250)
Non-controlling interests	(1,523,479)	-
	(36,679,721)	(26,488,250)

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

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

Dividends

The amount of dividends paid by the Company since 31 March 2015 were as follows:

	RM
In respect of the financial period ended 31 March 2015 as reported in the directors' report of that period, an interim single-tier dividend of 2% on 230,235,015 ordinary shares declared on 29 April 2015 and paid on 3 June 2015 (2 sen per ordinary share)	4,604,700

On 25 May 2016, an interim single-tier dividend in respect of the financial year ended 31 March 2016, of 2% on 230,235,015 ordinary shares, amounting to RM4,604,700 (2 sen per ordinary share) was declared and paid on 29 June 2016. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2017.

Repurchase of shares

The approval granted by the shareholders at the extraordinary general meeting of the Company held on 1 September 2015, for the Company to purchase its own shares up to 10% of the issued and paid-up share capital of the Company, will expire at the conclusion of the forthcoming Annual General Meeting ("AGM").

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not undertake any share buy-back during the financial year. The shares purchased in previous financial year are being held as treasury shares and carried at cost in accordance with the requirements of Section 67A of the Companies Act, 1965. There has been no sale or cancellation of such shares to date.

As at 31 March 2016, a total of 1,324,000 (2015: 1,324,000) ordinary shares are held as treasury shares. Such treasury shares are held at a carrying amount of RM1,930,638 (2015: RM1,930,638).

Directors

The directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat
Tan Sri Dato' Surin Upatkoon
Tang King Hua
Lim Kong Yow
Krian Upatkoon
Dato' Lawrence Lim Swee Lin
Tan Chor Teck
Dato' Yogesvaran a/l T Arianayagam

In accordance with the Company's Articles of Association, Mr. Tang King Hua and Dato' Yogesvaran a/l T Arianayagam retire from the board at the forthcoming AGM and, being eligible, offer themselves for re-election.

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement, to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of its related corporation as shown in Note 42 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 43 to the financial statements.

Directors' interests

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

	Number of ordinary shares of RM1 each			
Name of director	**1.4.2015**	**Acquired**	**Sold**	**31.3.2016**
Ordinary shares of the Company				
Direct Interest:				
Tan Sri Dato' Surin Upatkoon	786,630	-	-	786,630
Tang King Hua	12,030,800	-	-	12,030,800
Lim Kong Yow	48,000	-	-	48,000
Dato' Lawrence Lim Swee Lin	448,000	-	-	448,000
Tan Chor Teck	420,000	50,000	-	470,000
Deemed Interest:				
Tan Sri Dato' Surin Upatkoon	75,100,939	-	-	75,100,939
Tang King Hua	2,181,700	-	-	2,181,700
Lim Kong Yow	4,000	-	-	4,000
Dato' Lawrence Lim Swee Lin	287,000	-	-	287,000
Tan Chor Teck	9,884,280	235,000	-	10,119,280

By virtue of the interests in shares in the Company, Tan Sri Dato' Surin Upatkoon is deemed to have interests in shares in all the subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year held any shares or had any interests in shares in the related corporations of the Company during the financial year, except for the interests in shares held by Mr. Tang King Hua in the following subsidiary:

	Number of ordinary shares			
	1.4.2015	**Acquired**	**Sold**	**31.3.2016**
Ordinary shares of the subsidiary (Daviscomms (S) Pte. Ltd.)				
Direct Interest	24,000	-	-	24,000

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT
(cont'd)

Other statutory information (cont'd)

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

  (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

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

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

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

(g) As at the reporting date, the Company's net current liabilities exceeded its current assets by RM157,573,343. The directors are of the opinion that the Company will be able to meet its obligation as and when they fall due by realising various quoted investments amounting to RM208,780,241 which are classified as other investments, if necessary.

Subsequent events

Details of subsequent events are disclosed in Note 50 to the financial statements.

Auditors

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 June 2016.

Tang King Hua

Lim Kong Yow

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

We, Tang King Hua and Lim Kong Yow, being two of the directors of MWE Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 40 to 140 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2016 and of their financial performance and cash flows for the year then ended.

The information set out in Note 53 to the financial statements on page 141 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 June 2016.

Tang King Hua **Lim Kong Yow**

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

I, Lim Kong Yow, being the director primarily responsible for the financial management of MWE Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 141 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Lim Kong Yow at Kuala
Lumpur in the Federal Territory on 29 June 2016. **Lim Kong Yow**

Before me,

Agong Sia (W460)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MWE HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the financial statements

We have audited the financial statements of MWE Holdings Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of 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 a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 140.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("the Act") in Malaysia, we also report the following:

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

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

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

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of the subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 53 to the financial statements on page 141 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choh Leang
No. 2716/01/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
29 June 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	Group At 31.3.2016 RM	Group At 31.3.2015 RM	Company At 31.3.2016 RM	Company At 31.3.2015 RM
Assets					
Non-current assets					
Property, plant and equipment	4	28,287,405	68,460,369	-	-
Investment properties	5	62,705,000	61,803,000	-	-
Land held for property development	6	11,776,075	11,770,753	-	-
Land use rights	7	26,000,082	22,761,376	-	-
Biological assets	8	7,087,252	7,701,345	-	-
Intangible assets	9	315,288	136,652	-	-
Investment in subsidiaries	10	-	-	264,851,246	240,358,149
Investment in associates	11	237,043,468	277,476,348	233,522,312	273,911,463
Other investments	12	211,234,872	255,648,364	208,921,818	253,335,299
		584,449,442	705,758,207	707,295,376	767,604,911
Current assets					
Property development costs	13	8,079,496	8,064,714	-	-
Inventories	14	46,406,542	45,804,332	-	-
Amount due from subsidiaries	15	-	-	12,332,527	18,095,600
Amount due from associates	16	15,763,303	16,113,303	-	-
Trade and other receivables	17	26,636,244	40,474,397	4,500	1,333,644
Prepayments		2,107,610	2,696,911	16,695	-
Tax recoverable		2,217,048	769,739	141,257	127,257
Cash and bank balances	18	100,487,468	91,147,439	1,171,582	4,637,406
		201,697,711	205,070,835	13,666,561	24,193,907
Assets of disposal group classified as held for sale	19	45,023,102	-	-	-
		246,720,813	205,070,835	13,666,561	24,193,907
Total assets		831,170,255	910,829,042	720,961,937	791,798,818

	Note	Group At 31.3.2016 RM	Group At 31.3.2015 RM	Company At 31.3.2016 RM	Company At 31.3.2015 RM
Equity and liabilities					
Current liabilities					
Trade and other payables	20	32,033,942	45,981,046	4,366,492	4,242,319
Amount due to subsidiaries	15	-	-	12,023,412	20,397,098
Loans and borrowings	21	157,328,115	155,934,437	154,850,000	152,000,000
Current tax payable		1,337,332	1,272,338	-	-
Derivatives liabilities	23	187,166	-	-	-
		190,886,555	203,187,821	171,239,904	176,639,417
Liabilities directly associated with disposal group classified as held for sale	19	15,801,985	-	-	-
		206,688,540	203,187,821	171,239,904	176,639,417
Net current assets/(liabilities)		40,032,273	1,883,014	(157,573,343)	(152,445,510)
Non-current liabilities					
Loans and borrowings	21	46,390,065	52,140,709	45,000,000	50,000,000
Deferred tax liabilities	24	5,200,607	2,101,275	-	-
Deferred income	25	-	12,596,671	-	-
		51,590,672	66,838,655	45,000,000	50,000,000
Total liabilities		258,279,212	270,026,476	216,239,904	226,639,417
Net assets		572,891,043	640,802,566	504,722,033	565,159,401
Equity attributable to owners of the parent					
Share capital	26	231,559,015	231,559,015	231,559,015	231,559,015
Reserves	27	330,471,868	397,134,565	275,093,656	335,531,024
Treasury shares	28	(1,930,638)	(1,930,638)	(1,930,638)	(1,930,638)
		560,100,245	626,762,942	504,722,033	565,159,401
Non-controlling interests		12,790,798	14,039,624	-	-
Total equity		572,891,043	640,802,566	504,722,033	565,159,401
Total equity and liabilities		831,170,255	910,829,042	720,961,937	791,798,818

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 1.4.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.3.2016 RM	Company 1.1.2014 to 31.3.2015 RM
Continuing operations					
Revenue	30	313,152,915	370,315,949	26,838,029	206,516,204
Cost of sales	31	(248,171,945)	(288,912,311)	-	-
Gross profit		64,980,970	81,403,638	26,838,029	206,516,204
Other items of income					
Interest income	32	1,437,301	1,682,999	1,104,695	1,673,786
Other income	33	8,108,564	16,118,000	23,235,021	11,589,203
Other items of expense					
Administrative and other expenses		(90,971,001)	(57,024,633)	(66,972,173)	(76,826,002)
Marketing and distribution		(5,193,823)	(5,201,653)	-	-
Finance costs	34	(12,339,416)	(11,602,717)	(10,494,593)	(10,069,042)
Share of results of associates		6,658,361	5,620,731	-	-
(Loss)/Profit before tax from continuing operations		(27,319,044)	30,996,365	(26,289,021)	132,884,149
Income tax expense	35	(9,360,253)	(6,993,856)	(199,229)	(422,716)
(Loss)/Profit from continuing operations, net of tax		(36,679,297)	24,002,509	(26,488,250)	132,461,433
Discontinued operations					
Loss from discontinued operations, net of tax	19	(424)	(205,859)	-	-
(Loss)/Profit net of tax	36	(36,679,721)	23,796,650	(26,488,250)	132,461,433
Other comprehensive (loss)/income					
Fair value loss on available-for-sale financial assets		(29,344,418)	(25,727,818)	(29,344,418)	(25,727,818)
Foreign currency translation		3,925,190	7,256,162	-	-
Share of other comprehensive income of associate		-	(394,000)	-	-
Other comprehensive loss for the year/period, net of tax, representing items to be reclassified subsequently to profit or loss		(25,419,228)	(18,865,656)	(29,344,418)	(25,727,818)
Total comprehensive (loss)/income for the year/period		(62,098,949)	4,930,994	(55,832,668)	106,733,615

	Note	Group 1.4.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.3.2016 RM	Company 1.1.2014 to 31.3.2015 RM
Profit attributable to:					
Owners of the parent		(35,156,242)	22,853,238	(26,488,250)	132,461,433
Non-controlling interests		(1,523,479)	943,412	-	-
		(36,679,721)	23,796,650	(26,488,250)	132,461,433
Total comprehensive income attributable to:					
Owners of the parent		(61,167,887)	2,980,788	(55,832,668)	106,733,615
Non-controlling interests		(931,062)	1,950,206	-	-
		(62,098,949)	4,930,994	(55,832,668)	106,733,615
(Loss)/Earnings per ordinary share attributable to owners of the parent (sen per share)					
Basic/diluted	37	(15.27)	9.93		
(Loss)/Earnings per ordinary share from continuing operations attributable to owners of the parent (sen per share)					
Basic/diluted	37	(15.27)	9.93		
Loss per ordinary share from discontinued operations attributable to owners of the parent (sen per share)					
Basic/diluted	37	-	-		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	← Attributable to owners of the parent →										
	← Non-distributable					→	Distributable				
	Share capital (Note 26) RM	Share premium (Note 27) RM	Exchange translation reserve (Note 27) RM	Capital reserve (Note 27) RM	Revaluation reserve (Note 27) RM	Fair value reserve (Note 27) RM	Treasury shares (Note 28) RM	Retained earnings (Note 29) RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 January 2014	231,559,015	23,586,099	4,000,826	4,156	3,636,411	144,946,998	(1,930,638)	222,538,194	628,341,061	11,268,770	639,609,831
Total comprehensive income	-	-	5,855,368	-	-	(25,727,818)	-	22,853,238	2,980,788	1,950,206	4,930,994
Transactions with owners:											
Disposal of associates	-	-	(2,692)	-	-	-	-	-	(2,692)	-	(2,692)
Effect of change in income tax on revaluation reserve	-	-	-	-	48,485	-	-	-	48,485	-	48,485
Dividends on ordinary shares (Note 38)	-	-	-	-	-	-	-	(4,604,700)	(4,604,700)	-	(4,604,700)
Disposal of shares in a subsidiary	-	-	-	-	-	-	-	-	-	820,648	820,648
	-	-	(2,692)	-	48,485	-	-	(4,604,700)	(4,558,907)	820,648	(3,738,259)
At 31 March 2015	231,559,015	23,586,099	9,853,502	4,156	3,684,896	119,219,180	(1,930,638)	240,786,732	626,762,942	14,039,624	640,802,566
At 1 April 2015	231,559,015	23,586,099	9,853,502	4,156	3,684,896	119,219,180	(1,930,638)	240,786,732	626,762,942	14,039,624	640,802,566
Total comprehensive income	-	-	3,332,773	-	-	(29,344,418)	-	(35,156,242)	(61,167,887)	(931,062)	(62,098,949)
Transactions with owners:											
Dissolution of subsidiary	-	-	(890,110)	-	-	-	-	-	(890,110)	(317,764)	(1,207,874)
Dividends on ordinary shares (Note 38)	-	-	-	-	-	-	-	(4,604,700)	(4,604,700)	-	(4,604,700)
	-	-	(890,110)	-	-	-	-	(4,604,700)	(5,494,810)	(317,764)	(5,812,574)
At 31 March 2016	231,559,015	23,586,099	12,296,165	4,156	3,684,896	89,874,762	(1,930,638)	201,025,790	560,100,245	12,790,798	572,891,043

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	←	Non-distributable	→		Distributable	
	Share capital (Note 26) RM	Share premium (Note 27) RM	Fair value reserve (Note 27) RM	Treasury shares (Note 28) RM	Retained earnings (Note 29) RM	Total RM
At 1 January 2014	231,559,015	23,586,099	144,946,998	(1,930,638)	64,869,012	463,030,486
Total comprehensive income	-	-	(25,727,818)	-	132,461,433	106,733,615
Dividends on ordinary shares (Note 38)	-	-	-	-	(4,604,700)	(4,604,700)
At 31 March 2015	231,559,015	23,586,099	119,219,180	(1,930,638)	192,725,745	565,159,401
At 1 April 2015	231,559,015	23,586,099	119,219,180	(1,930,638)	192,725,745	565,159,401
Total comprehensive income	-	-	(29,344,418)	-	(26,488,250)	(55,832,668)
Dividends on ordinary shares (Note 38)	-	-	-	-	(4,604,700)	(4,604,700)
At 31 March 2016	231,559,015	23,586,099	89,874,762	(1,930,638)	161,632,795	504,722,033

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 1.4.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.3.2016 RM	Company 1.1.2014 to 31.3.2015 RM
Cash flows from operating activities					
(Loss)/Profit before tax from continuing operations		(27,319,044)	30,996,365	(26,289,021)	132,884,149
Profit/(Loss) before tax from discontinued operations	19	2,084	(205,859)	-	-
(Loss)/Profit before tax, total		(27,316,960)	30,790,506	(26,289,021)	132,884,149
Adjustments for					
Amortisation of					
- biological assets	36	614,093	767,617	-	-
- intangible assets	36	20,098	-	-	-
- land use rights	36	436,712	593,484	-	-
Bad debts written off	36	29	-	-	-
Depreciation of property, plant and equipment	36	3,805,938	4,573,561	-	-
Fair value loss on					
- derivative liabilities/assets	36	187,166	2,520	-	-
- investment properties	33	(902,000)	(1,058,000)	-	-
(Gain)/loss on disposal of					
- associates	33	-	(442,441)	-	-
- property, plant and equipment		(2,286,825)	(11,070)	-	-
- quoted investments	33	-	(6,149,845)	-	(6,149,845)
- subsidiaries		-	(1,266,754)	-	185,953
- unquoted investments	33	(359,938)	-	(359,938)	-
Gain on dissolution of a subsidiary	33	(888,057)	-	-	-
Impairment loss on					
- advances to associates	36	27,038	49,500	-	-
- advances to subsidiaries	36	-	-	9,252,595	6,546,358
- trade receivables	36	238,497	11,905	-	-
- other receivables	36	348,903	321,823	-	-
- investment in associates	36	47,091,241	21,376,278	40,389,151	16,495,278
- investment in subsidiaries	36	-	-	3,000,000	50,362,104
- unquoted equity investments	36	12,293,999	100,521	12,293,999	100,521
Property, plant and equipment written off	36	5,116	13,765	-	-
Reversal of impairment loss on					
- advances to subsidiaries	33	-	-	(1,381,986)	(10,000)
- investment in subsidiary	33	-	-	(21,493,097)	-
- trade receivables	33	(18,968)	(42,190)	-	-
Share of results of associates		(6,658,361)	(5,620,731)	-	-
Net unrealised (gain)/loss on foreign exchange		(1,246,160)	(28,383)	-	-

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

	Note	Group 1.4.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.3.2016 RM	Company 1.1.2014 to 31.3.2015 RM
Cash flows from operating activities (cont'd)					
Write-back of provisions	33	-	(5,374,071)	-	(5,374,071)
Write-down of inventories	36	24,231	599,393	-	-
Write-off of					
- unquoted equity investments	36	13	-	2	-
- inventories	36	2,080,648	359,325	-	-
Gross dividend income		(11,038,029)	(16,916,204)	(26,838,029)	(206,516,204)
Interest income		(1,449,140)	(1,692,081)	(1,104,695)	(1,673,786)
Interest expenses		12,344,126	11,612,213	10,494,593	10,069,042
Operating profit/(loss) before working capital changes		27,353,410	32,570,641	(2,036,426)	(3,080,501)
Changes in inventories		(1,912,404)	(4,582,364)	-	-
Changes in property development costs and land held for property development		(20,104)	(2,366,866)	-	-
Changes in receivables		15,319,509	10,891,796	1,312,449	603
Changes in payables		(12,405,397)	4,420,513	124,173	331,212
Changes in trade line borrowings		(1,234,000)	1,234,000	-	-
Cash generated from/(used in) operations		27,101,014	42,167,720	(599,804)	(2,748,686)
Interest received		1,449,140	1,692,081	1,104,695	1,673,786
Interest paid		(12,344,126)	(11,612,213)	(10,494,593)	(10,069,042)
Tax (paid)/recovered		(7,733,938)	(5,242,451)	(213,229)	1,766,427
Net cash generated from/(used in) operating activities		8,472,090	27,005,137	(10,202,931)	(9,377,515)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

	Note	Group 1.4.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.3.2015 RM	Company 1.4.2015 to 31.3.2016 RM	Company 1.1.2014 to 31.3.2015 RM
Cash flows from investing activities					
Addition in investment in an associate		-	(117,898,740)	-	(117,898,740)
Addition in investment in a subsidiary		-	-	(6,000,000)	-
Disposal of subsidiary, net of cash	39	-	4,033,592	-	4,034,069
Net advances to subsidiaries		-	-	(2,107,536)	(2,942,720)
Net dividends received from					
- subsidiaries		-	-	10,300,000	-
- associate		-	81,600	-	-
- other investments		11,038,029	16,916,204	11,038,029	16,916,204
Purchase of					
- biological assets	8	-	(1,500)	-	-
- intangible assets	9	(193,065)	-	-	-
- land use rights	7	(3,675,418)	(1,400,000)	-	-
- other investments		-	(117,875)	-	(117,875)
- property, plant and equipment		(7,115,999)	(2,992,902)	-	-
Proceeds from disposal of					
- associates		-	484,265	-	-
- other investments		3,135,000	10,611,831	3,135,000	10,611,831
- property, plant and equipment		2,692,715	115,000	-	-
- shares in a subsidiary		-	825,000	-	-
Proceeds from dissolution of a subsidiary		328,681	-	-	-
Net cash generated from/ (used in) investing activities		6,209,943	(89,343,525)	16,365,493	(89,397,231)
Cash flows from financing activities					
Advances from subsidiaries		-	-	-	35,086,515
Drawdown of bank borrowings		350,000	125,400,000	350,000	125,400,000
Dividends paid to shareholders		(4,604,700)	(4,604,700)	(4,604,700)	(4,604,700)
Repayment of bank borrowings		(2,881,175)	(50,974,710)	(2,500,000)	(50,500,000)
Repayment of hire purchase and finance lease instalments		(480,395)	(612,250)	-	-
Repayment to subsidiaries		-	-	(2,873,686)	(2,563,392)
Placement in short term deposits		(87,883)	(1,503,840)	-	-
Net cash (used in)/ generated from financing activities		(7,704,153)	67,704,500	(9,628,386)	102,818,423

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016 (cont'd)

		Group		Company	
	Note	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Net increase/(decrease) in cash and cash equivalents		6,977,880	5,366,112	(3,465,824)	4,043,677
Effects of foreign exchange rate changes		(142,284)	354,707	-	-
		6,835,596	5,720,819	(3,465,824)	4,043,677
Cash and cash equivalents at beginning of year/period		89,597,539	79,063,498	4,637,406	593,729
Effects of foreign exchange rate changes		2,944,637	4,813,222	-	-
		92,542,176	83,876,720	4,637,406	593,729
Cash and cash equivalents at end of year/period		99,377,772	89,597,539	1,171,582	4,637,406

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016

1. Corporate information

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associates are disclosed in Note 10 and 11 respectively. There have been no significant changes in the nature of these activities during the financial year.

In the previous financial period, the Group and the Company changed its financial year end from 31 December to 31 March. The previous reporting period cover a period of 15 months from 1 January 2014 to 31 March 2015.

The current reporting period covers a period of 12 months from 1 April 2015 to 31 March 2016. Consequently, the comparative amounts for the statements of comprehensive income, statements of changes in equity, statements of cash flows and related notes to the financial statements are not comparable.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2015 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

As at the reporting date, the Company's net current liabilities exceeded its current assets by RM157,573,343. The directors are of the opinion that the Company will be able to meet its obligation as and when they fall due by realising various quoted investments amounting to RM208,780,241 which are classified as other investments, if necessary.

2.2 Changes in accounting policies

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

On 1 April 2015, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 April 2015.

Description	Effective for annual periods beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014

Adoption of the above standards did not have any material effect on the financial performance or position of the Group and of the Company.

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

2.3 Standards and interpretations issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
FRS 9 Financial Instruments	1 January 2018

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except as discussed below:

Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. The Group is currently assessing the impact of the application of this standard on the financial position and performance of the Group.

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements except for presentation and disclosure.

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

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

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group and of the Company's financial assets, but no impact on the classification and measurement of the Group and of the Company's financial liabilities.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: Agriculture and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities').

The Company falls within the definition of Transitioning Entities and is currently exempted from adopting the MFRS. Accordingly, the Company will adopt the MFRS and present its first MFRS financial statements for the annual period beginning 1 April 2017. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Company is in the process of assessing the financial effects of the differences between the accounting standards under FRS and under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year/period ended 31 March 2016 and 31 March 2015 could be different if prepared under the MFRS Framework.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

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

2.4 Basis of consolidation (cont'd)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

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

2.4 Basis of consolidation (cont'd)

Business combinations (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

2.5 Subsidiaries

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

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

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

2.6 Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate are 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 or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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

2.6 Investments in associates (cont'd)

The aggregate of the Group's share of profit or loss of associates shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are 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.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

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

2.7 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2.8 Current versus non-current classification

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

(i) Expected to be realised or intended to sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period; or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

2.8 Current versus non-current classification (cont'd)

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.9 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in OCI. Exchange differences arising from such non-monetary items are also recognised directly in OCI.

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

2.9 Foreign currency (cont'd)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

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

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

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

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

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.9.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

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

2.10 Intangible assets (cont'd)

(b) Club membership

Club membership was acquired separately and is carried at cost less accumulated impairment losses.

(c) License fee

License fee was paid for the distribution of digital goniometer product, and is initially measured at cost. Following initial recognition, license fee is measured at cost less accumulated amortisation.

2.11 Property, plant and equipment

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

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Freehold land is stated at cost. Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	1% - 2%
Buildings	1% - 2%
Plant and machinery	7.5% - 40%
Motor vehicles	10% - 30%
Furniture, fixtures and equipment	10% - 50%

Capital work-in-progress included in plant and machinery are not depreciated as these assets are not yet available for use.

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

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

An item of property, plant and equipment is derecognised upon disposal 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.

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

2.12 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.11 up to the date of change in use.

2.13 Biological assets

In accordance with paragraph 54 of FRS 101, the Group has presented plantation development expenditure as biological assets.

Biological assets comprise initial oil palm plantation development expenditure and subsequent replanting expenditure incurred for land clearing and upkeep of trees to the point of maturity. Plantation development expenditure is amortised at maturity of the crop over the estimated useful life of 22 years.

2.14 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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

2.15 Impairment of non-financial assets (cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.16 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

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

2.16 Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss (cont'd)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company have not designated any financial assets as at fair value through profit or loss.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories and not classified as held to maturity investments.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

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

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

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

2.16 Financial assets (cont'd)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, the date that the Group's and the Company commit to purchase or sell the asset.

2.17 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables and amounts due from associates, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as 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 impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

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

2.17 Impairment of financial assets (cont'd)

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

(i) AFS carried at fair value

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(ii) AFS carried at cost - unquoted equity securities

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.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits with licensed banks with maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.19 Land held for property development and property development costs

(a) Land held for property development

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

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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

2.19 Land held for property development and property development costs (cont'd)

(b) Property development costs

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

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

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

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

2.20 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average, first-in first-out basis.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

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

2.21 Provisions

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

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

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

2.22 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(b) Other financial liabilities

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.23 Financial guarantee contracts

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

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

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

2.24 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.25 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.29(c).

2.26 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current asset is measured at the lower of its carrying amount and fair value less costs to sell. Any differences are included in profit and loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

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

2.27 Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

2.28 Discontinued operations

A disposal group qualifies as discontinued operation if it is:

(i) A component of the Group that is a CGU or a group of CGUs

(ii) Classified as held for sale or distribution or already disposed in such a way, or

(iii) A major line of business or major geographical area

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in profit or loss.

2.29 Revenue and other income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable.

(a) Sale of goods

Sale of goods are measured at the fair values of the considerations received or receivable, net of returns and discounts and are recognised in the profit or loss when significant risks and rewards of ownership have been transferred to the customers.

(b) Services rendered

Revenue from services rendered is measured at fair value of the consideration received or receivable and is recognised on an accrual basis when services are rendered.

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

2.29 Revenue and other income (cont'd)

(c) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in profit or loss as revenue due to its operating nature. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Sale of development properties

Property development revenue is recognised in the profit or loss using the percentage of completion method, which is applied in circumstances where the outcome of the development activities can be reliably estimated. The stage of completion is estimated by the proportion of cost incurred to-date bear to estimated total costs, and for this purpose only those costs that reflect actual development work performed are included as costs incurred to-date.

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

(e) Dividend income

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

(f) Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in profit or loss.

(g) Licence fees

Licence fees in respect of club membership received by a subsidiary are recognised on time proportion basis over the licence period commencing from the respective dates of signing the licence agreements to 31 August 2089. Licence fees received and receivable which relate to the unexpired licence period are reflected in the consolidated statement of financial position as deferred income.

2.30 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

2.30 Income taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2.12, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for all temporary differences, except:

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

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

2.30 Income taxes (cont'd)

(b) Deferred tax (cont'd)

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

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.31 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 49, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.32 Share capital and share issuance expenses

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

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

2.33 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

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

2.34 Contingencies

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

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

2.35 Fair value measurements

Fair values of financial instruments measured at amortised cost are disclosed in Note 2.16 and 2.22.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 - Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3 - Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

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

The Group determines whether a property qualifies as an investment property, and has developed certain criterias based on FRS 140 in making that judgement as to whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production and supply of goods and services or for administrative purposes.

Judgement is also made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(c) Impairment of available-for-sale investments

The Group reviews its quoted securities classified as available-for-sale investments at each reporting date to assess whether there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

For the financial year ended 31 March 2016, the amount of impairment loss recognised for available-for-sale financial assets for the Group and the Company were RM34,152,890 (2015: RM30,774,951) and RM27,553,891 (2015: RM15,471,376) respectively.

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

3.1 Judgements made in applying accounting policies (cont'd)

(d) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to land held for property development, land use rights and biological assets recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 47.

3.2 Key sources of estimation uncertainty

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

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 2 to 13 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 4.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 17 to the financial statements. As at 31 March 2016, the allowance for impairment of the Group is RM7,081,554 (2015: RM11,836,400).

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

3.2 Key sources of estimation uncertainty (cont'd)

(c) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date to the estimated total property development costs.

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

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Notes 13 to the financial statements.

(d) Impairment of investments in subsidiaries

The Company has carried out the impairment test based on the estimate of the higher of the value-in-use or fair value less cost to sell of the cash-generating units ("CGU") to which the investment in subsidiaries belong to.

Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of investment in subsidiaries of the Company as at 31 March 2016 and 31 March 2015 amounted to RM264,851,246 (2015: RM240,358,149) as disclosed in Note 10.

(e) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, any unabsorded capital allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences. The total carrying value of deferred tax assets not recognised of the Group was RM40,988,925 (2015: RM38,636,035). Further details are disclosed in Note 24.

(f) Fair values of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in determining fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The Group engaged independent valuation specialists to determine fair value as at 31 March 2016.

4. Property, plant and equipment

	Freehold land RM	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fixtures and equipment RM	Capital work-in-progress RM	Total RM
Group									
At 31 March 2016									
At cost									
At 1 April 2015	3,326,032	20,781,053	684,746	62,006,548	41,366,143	5,563,289	23,501,940	178,020	157,407,771
Additions	-	-	-	18,788	2,745,126	107,800	664,912	3,579,373	7,115,999
Disposals	-	(474,956)	-	-	(405,985)	(227,000)	(40,900)	-	(1,148,841)
Transfer	-	-	-	-	172,982	-	-	(172,982)	-
Write-off	-	-	-	-	(61,833)	(120,000)	(146,032)	(5,038)	(332,903)
Reclassified to assets of disposal group classified as held for sale	-	(18,606,097)	-	(40,299,356)	-	(410,236)	(6,614,421)	-	(65,930,110)
Exchange differences	-	-	-	421,413	500,514	31,644	200,094	(77,561)	1,076,104
At 31 March 2016	3,326,032	1,700,000	684,746	22,147,393	44,316,947	4,945,497	17,565,593	3,501,812	98,188,020
Accumulated depreciation									
At 1 April 2015	-	4,774,267	242,513	20,824,512	37,206,094	4,474,544	21,425,472	-	88,947,402
Charge for the year	-	216,654	11,412	870,984	1,485,023	336,278	885,587	-	3,805,938
Disposals	-	(116,740)	-	-	(405,912)	(179,733)	(40,566)	-	(742,951)
Write-off	-	-	-	-	(61,773)	(119,998)	(146,016)	-	(327,787)
Reclassified to assets of disposal group classified as held for sale	-	(4,573,230)	-	(11,374,785)	-	(251,246)	(6,369,503)	-	(22,568,764)
Exchange differences	-	-	-	156,115	439,051	27,260	164,351	-	786,777
At 31 March 2016	-	300,951	253,925	10,476,826	38,662,483	4,287,105	15,919,325	-	69,900,615
Net carrying amount									
At 31 March 2016	3,326,032	1,399,049	430,821	11,670,567	5,654,464	658,392	1,646,268	3,501,812	28,287,405

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

	Freehold land RM	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fixtures and equipment RM	Capital work-in-progress RM	Total RM
Group									
At 31 March 2015									
At cost									
At 1 January 2014	3,213,857	20,895,700	500,257	61,367,776	41,450,644	5,486,250	22,890,513	-	155,804,997
Additions	-	-	184,489	120,453	1,231,434	155,350	1,180,156	178,020	3,049,902
Disposals	-	-	-	-	(2,073,579)	(128,800)	(815,522)	-	(3,017,901)
Transfer	112,175	(114,647)	-	-	-	-	-	-	(2,472)
Write-off	-	-	-	(212,668)	(155,410)	(4,400)	(108,435)	-	(480,913)
Exchange differences	-	-	-	730,987	913,054	54,889	355,228	-	2,054,158
At 31 March 2015	3,326,032	20,781,053	684,746	62,006,548	41,366,143	5,563,289	23,501,940	178,020	157,407,771
Accumulated depreciation									
At 1 January 2014	-	4,505,921	209,798	19,531,650	37,041,869	3,924,119	21,120,886	-	86,334,243
Charge for the year	-	270,818	32,715	1,219,739	1,586,273	538,865	925,151	-	4,573,561
Disposals	-	-	-	-	(2,065,149)	(33,300)	(815,522)	-	(2,913,971)
Transfer	-	(2,472)	-	-	-	-	-	-	(2,472)
Write-off	-	-	-	(200,974)	(154,351)	(3,440)	(108,383)	-	(467,148)
Exchange differences	-	-	-	274,097	797,452	48,300	303,340	-	1,423,189
At 31 March 2015	-	4,774,267	242,513	20,824,512	37,206,094	4,474,544	21,425,472	-	88,947,402
Net carrying amount									
At 31 March 2015	3,326,032	16,006,786	442,233	41,182,036	4,160,049	1,088,745	2,076,468	178,020	68,460,369

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

(a) During the financial year, the Group acquired property, plant and equipment amounting to RM7,115,999 (2015: RM3,049,902) of which Nil (2015: RM57,000) was financed under hire purchase and finance lease arrangement.

The property, plant and equipment of the Group acquired under hire purchase and finance lease commitments are as follows:

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At net carrying amount		
Plant and machinery	648,996	910,199
Motor vehicles	354,333	474,555
	1,003,329	1,384,754

Details of the terms and condition of the hire purchase and finance lease commitments are disclosed in Note 22.

(b) The property, plant and equipment pledged as securities for banking and other credit facilities granted to the Group are as follows:

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At net carrying amount		
Freehold land	112,175	112,175
Long term leasehold land	1,399,049	16,006,786
Buildings	3,798,649	33,261,304
Motor vehicles	297,811	409,899
Furniture, fixtures and equipment	101,336	118,904
	5,709,020	49,909,068

5. Investment properties

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At fair value		
At 1 April 2015/1 January 2014	61,803,000	60,745,000
Gain from fair value adjustments (Note 33)	902,000	1,058,000
At 31 March	62,705,000	61,803,000
Investment properties consist of:		
Freehold land and buildings	54,005,000	53,365,000
Long term leasehold land and buildings	8,700,000	8,438,000
	62,705,000	61,803,000

Valuation of investment properties

Investment properties are stated at fair value, which have been determined based on valuations at the reporting date. Valuations are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The investment properties are carried at Level 2 and 3 fair value measurement hierarchy as defined in Note 2.35. There have been no transfers between Level 2 and Level 3 during the reporting year ended 31 March 2016.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant observable inputs	Property	Range
Comparison method of valuation ("CMV")	Selling price per square foot ("psf") of comparable properties sold adjusted for location, accessibility, visibility/exposure, view, size and shape of property, permissible gross floor area ("GFA"), planning provision, title restrictions (if any).	Office Unit Office building Industrial premises	RM242 to RM304 psf RM230 to RM411 psf RM26 to RM78 psf
Investment method	Ascertaining the economic rent of the property, deducting all reasonable operating expenses and then capitalising the resultant net operating income by an appropriate rate of capitalisation to obtain the present value of the income stream.	Office building	Yield range from 6.25% to 8.50%
Cost method	Entails the summartion of the land and building values. The land component is arrived at by the Comparison Method. The building component is arrived at by the Depreciated Replacement Cost Approach whereby an estimate is made of the replacement cost new and then allowing for depreciation.	Industrial premises	RM12 to RM24 psf

5. Investment properties (cont'd.)

The investment properties of certain subsidiaries pledged as securities for bank borrowings granted to the Company are as follows:

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At net carrying amount		
Freehold land and buildings	34,850,000	34,850,000
Long term leasehold land and buildings	8,000,000	8,000,000
	42,850,000	42,850,000

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

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Rental income (Note 30)	5,369,941	5,816,162
Direct operating expenses (Note 31)	(2,532,542)	(2,127,636)
Profit arising from investment properties	2,837,399	3,688,526

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6. Land held for property development

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Freehold land, at cost		
Land at cost		
At 1 April 2015/1 January 2014	8,714,870	7,889,870
Addition	-	825,000
At 31 March	8,714,870	8,714,870
Development costs		
At 1 April 2015/1 January 2014	3,055,883	1,529,727
Cost incurred during the year/period	5,322	1,526,156
	3,061,205	3,055,883
At 31 March	11,776,075	11,770,753

7. Land use rights

	Long term leasehold land RM	Short term leasehold land RM	Total RM
Group			
At 31 March 2016			
Cost			
At 1 April 2015	26,002,608	-	26,002,608
Addition	3,675,418	-	3,675,418
At 31 March 2016	29,678,026	-	29,678,026
Accumulated amortisation			
At 1 April 2015	3,241,232	-	3,241,232
Charge for the year/period (Note 36)	436,712	-	436,712
At 31 March 2016	3,677,944	-	3,677,944
Net carrying amount			
At 31 March 2016	26,000,082	-	26,000,082

7. Land use rights (cont'd)

	Long term leasehold land RM	Short term leasehold land RM	Total RM
Group			
At 31 March 2015			
Cost			
At 1 January 2014	28,000,000	602,608	28,602,608
Addition	1,400,000	-	1,400,000
Disposal of subsidiaries	(4,000,000)	-	(4,000,000)
Reclassification	602,608	(602,608)	-
At 31 March 2015	26,002,608	-	26,002,608
Accumulated amortisation			
At 1 January 2014	2,760,476	281,218	3,041,694
Charge for the period (Note 36)	593,484	-	593,484
Disposal of subsidiaries	(393,946)	-	(393,946)
Reclassification	281,218	(281,218)	-
At 31 March 2015	3,241,232	-	3,241,232
Net carrying amount			
At 31 March 2015	22,761,376	-	22,761,376

The Group has land use rights over one plot of state-owned land in Kelantan where the Group operates the oil palm plantation, two plots of state-owned land in Penang for manufacturing and rental income respectively. The land use rights are not transferable and have a remaining tenure of 49 years (2015: 50 years) for Kelantan, 60 years (2015: Nil) and 97 years (2015: 98 years) for lands in Penang respectively.

8. Biological assets

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Oil palm plantation development expenditure		
Cost		
At 1 April 2015/1 January 2014	12,000,000	12,099,276
Additions	-	1,500
Disposal of subsidiaries	-	(100,776)
At 31 March	12,000,000	12,000,000
Accumulated amortisation		
At 1 April 2015/1 January 2014	4,298,655	3,531,038
Amortisation for the year/period (Note 36)	614,093	767,617
At 31 March	4,912,748	4,298,655
Net carrying amount		
At 31 March	7,087,252	7,701,345

9. Intangible assets

	Club membership RM	Group license fee RM	Total RM
Cost			
At 1 January 2014	310,024	-	310,024
Exchange differences	10,781	-	10,781
At 31 March 2015	320,805	-	320,805
Additions	12,183	180,882	193,065
Exchange differences	38,613	(3,920)	34,693
At 31 March 2016	371,601	176,962	548,563
Accumulated amortisation and impairment			
At 1 January 2014	175,028	-	175,028
Exchange differences	9,125	-	9,125
At 31 March 2015	184,153	-	184,153
Amortisation (Note 36)	-	20,098	20,098
Exchange differences	29,460	(436)	29,024
At 31 March 2016	213,613	19,662	233,275
Net carrying amount			
At 31 March 2015	136,652	-	136,652
At 31 March 2016	157,988	157,300	315,288

The club membership has an indefinite useful life. License fee has a useful life of 3 years and is amortised on a straight line basis over its useful life. The amortisation of license fee is included in administrative and other expenses line item in the statement of comprehensive income.

10. Investment in subsidiaries

	Company At 31.3.2016 RM	Company At 31.3.2015 RM
Unquoted shares at cost	379,346,697	373,346,697
Less: Accumulated impairment losses	(114,495,451)	(132,988,548)
	264,851,246	240,358,149

The following are subsidiaries of the Company all of which are incorporated in Malaysia unless otherwise stated:

Name of company	Principal activities	Proportion of ownership interest held by: The Company 2016 %	The Company 2015 %	Non-controlling interest 2016 %	Non-controlling interest 2015 %
Davex Holdings Berhad *	Investment holding	100	100	-	-
Fauzi-Lim Plantation Sdn. Bhd. *	Manage and operate oil palm plantation	100	100	-	-
First Cosmopolitan Sdn. Bhd. *	Investment holding	100	100	-	-
Ganda Pesona Sdn. Bhd. *	Provision of accounting, secretarial, management and insurance agency services	100	100	-	-
Metra Management Sdn. Bhd. *	Provision of share registration, management and secretarial services	100	100	-	-
MWE Golf & Country Club Berhad *@	Management of a golf course and clubhouse and the provision of landscaping services	100	100	-	-
MWE Properties Sdn. Bhd. *	Property investment and development, contracting and management agency services	100	100	-	-
MWE Spinning Mills Sdn. Bhd. *	Investment holding	100	100	-	-
MWE Weaving Mills Sdn. Bhd. * @	Inactive	100	100	-	-
United Sweethearts Garment Sdn. Bhd. *	Manufacturing and sale of garments	100	100	-	-
Alu-Paste & Pigments Sdn. Bhd. *	Investment holding	90	90	10	10
Dongfeng Commercial Vehicle (Malaysia) Sdn. Bhd. *	Importing and distributing of trucks	58#	58#	42	42

10. **Investment in subsidiaries (cont'd)**

Name of company	Principal activities	Proportion of ownership interest held by: The Company 2016 %	The Company 2015 %	Non-controlling interest 2016 %	Non-controlling interest 2015 %
Subsidiaries of Davex Holdings Berhad					
Daviscomms (S) Pte. Ltd. ** (incorporated in the Republic of Singapore)	Design, manufacturing and distribution of tele-communication products	68	68	32	32
Round and Round Pte. Ltd. ** (incorporated in the Republic of Singapore)	Importing and exporting of electronic power conversion products	-	51	-	49
Subsidiary of Daviscomms (S) Pte. Ltd.					
Daviscomms (Malaysia) Sdn. Bhd. *	Contract manufacturing of electronic products	100	100	-	-
Subsidiary of First Cosmopolitan Sdn. Bhd.					
Devanna Limited * (incorporated in British Virgin Islands)	Investment holding	100	100	-	-
Subsidiaries of Melati Mewah Sdn. Bhd.					
Melati Mewah Property Services Sdn. Bhd. **	Provision of property management services	100	100	-	-
Versatile Development Sdn. Bhd. **	Property development	100	100	-	-
Subsidiary of Metra Management Sdn. Bhd.					
Metra Nominees Sdn. Bhd. **	Provision of nominee services	100	100	-	-

10. Investment in subsidiaries (cont'd)

Name of company	Principal activities	Proportion of ownership interest held by: The Company 2016 %	The Company 2015 %	Non-controlling interest 2016 %	Non-controlling interest 2015 %
Subsidiaries of MWE Properties Sdn. Bhd.					
Melati Mewah Sdn. Bhd. *	Property investment and development	100	100	-	-
Metra PMC Sdn. Bhd. **	Provision of property management services	100	100	-	-
MWE Precast Concrete Sdn. Bhd. **	Inactive	100	100	-	-
Prime Achiever Sdn. Bhd. **	Property development	70	70	30	30
Jurangjaya Sdn. Bhd. **	Property development and property management	60	60	40	40
MWE Tiravest Sdn. Bhd. *	Property development	60	60	40	40
MWE Macadam Sdn. Bhd. **	Building construction	51	51	49	49
Subsidiaries of MWE Spinning Mills Sdn. Bhd.					
United Sweethearts Garment (Vietnam) Co. Ltd. ** (incorporated in Vietnam)	Production of garment products for export	100	100	-	-
MWE Textile Industries Sdn. Bhd. *	Renting of its investment properties	100	100	-	-

* *Audited by Ernst & Young, Malaysia*
** *Audited by firms other than Ernst & Young*
\# *20% direct interest held by the Company and 38% indirect interest held through Alu-Paste Pigments Sdn. Bhd.*
@ *Subsequent events are further disclosed in Note 50.*

During the financial year, the Company recognised a reversal of impairment losses of RM21,493,097 (2015: Nil) (Note 33) and additional impairment losses of RM3,000,000 (2015: RM50,362,104) (Note 36) on its investment in certain subsidiaries.

As at 31 March 2016, impairment losses on the value of investment in certain subsidiaries were made based on their net tangible asset values at 31 March 2016. After analysing the past performance of these subsidiaries, the management considered the value of investment in these subsidiaries were not expected to be recoverable in the near future.

10. Investment in subsidiaries (cont'd)

The management reviews the carrying amount of the investment in subsidiaries at each reporting date to determine whether there is any indication of impairment. The management's assessment on whether there is an indication is based on external and internal sources of information as well as based on indicative values (value-in-use) calculations. If such indication exists, the recoverable amount of the investment is estimated to determine the impairment loss on the value of such investment.

The recoverable amount is determined based on value-in-use calculations using the approved cash flow projections by management. Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the investment in subsidiaries to exceed their recoverable amounts.

(a) Acquisition of United Sweethearts Garment Sdn. Bhd. ("USG") shares during the year

On 21 March 2016, the Company further subscribed 6,000,000 ordinary shares of RM1.00 each in USG for a total cash consideration of RM6,000,000.

(b) Disposal of equity interest in subsidiary without losing control

In the previous financial period, a subsidiary, MWE Properties Sdn. Bhd. ("MWEPSB") disposed its 30% shareholding in its subsidiary, representing 4,800,000 ordinary shares of RM1.00 each in Prime Achiever Sdn Bhd ("PASB") for a total cash consideration of RM825,000 resulting in a gain on disposal of RM4,352 to MWEPSB and RM4,352 to the Group. PASB remains as a 70% owned subsidiary of the Company.

(c) Non-controlling interest in subsidiaries

Summarised financial information of Daviscomm (S) Pte. Ltd. and its subsidiary ("Daviscomm"), Dongfeng Commercial Vehicle Sdn. Bhd. ("Dongfeng") and Prime Achiever Sdn. Bhd. ("Prime Achiever") which have non-controlling interests that are material to the Group is set out below:

(i) Summarised statements of financial position

	Daviscomm		Dongfeng		Prime Achiver		Total	
	At 31.3.2016 RM'000	At 31.3.2015 RM'000	At 31.3.2016 RM'000	At 31.3.2015 RM'000	At 31.3.2016 RM'000	At 31.3.2015 RM'000	At 31.3.2016 RM'000	At 31.3.2015 RM'000
Non-current assets	7,434	3,997	4,417	4,641	4,326	4,326	16,177	12,964
Current assets	33,104	41,773	13,854	18,405	1	10	46,959	60,188
Total assets	40,538	45,770	18,271	23,046	4,327	4,336	63,136	73,152
Current liabilities	2,856	11,512	17,319	17,696	1,746	1,637	21,921	30,845
Non-current liabilities	100	339	50	75	-	-	150	414
Total liabilities	2,956	11,851	17,369	17,771	1,746	1,637	22,071	31,259
Net assets	37,582	33,919	902	5,275	2,581	2,699	41,065	41,893
Equity attributable to owners of the Company	25,368	22,896	527	3,080	1,806	1,889	27,701	27,865
Non-controlling interests	12,214	11,023	375	2,195	775	810	13,364	14,028

10. Investments in subsidiaries (cont'd)

(c) Non-controlling interest in subsidiaries (cont'd)

Summarised financial information of Daviscomm (S) Pte. Ltd. and its subsidiary ("Daviscomm"), Dongfeng Commercial Vehicle Sdn. Bhd. ("Dongfeng") and Prime Achiever Sdn. Bhd. ("Prime Achiever") which have non-controlling interests that are material to the Group is set out below: (cont'd)

(ii) Summarised statements of comprehensive income

	Daviscomm		Dongfeng		Prime Achiver		Total	
	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000
Revenue	55,381	84,416	19,230	25,013	-	-	74,611	109,429
Profit/(loss) of the year, representing total comprehensive income/ (loss) for the year	1,841	6,232	(4,373)	(2,059)	(116)	(38)	(2,648)	4,135

(iii) Summarised cash flows

	Daviscomm		Dongfeng		Prime Achiver		Total	
	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000	1.4.2015 to 31.3.2016 RM'000	1.1.2014 to 31.3.2015 RM'000
Net cash generated from/(used in) operating activities	7,699	6,847	(1,669)	374	96	36	6,126	7,257
Net cash used in investing activities	(4,231)	(1,039)	(6)	(178)	-	-	(4,237)	(1,217)
Net cash (used in)/ generated from financing activities	(507)	(710)	795	1,357	(104)	(28)	184	619
Net change in cash and cash equivalents	2,961	5,098	(880)	1,553	(8)	8	2,073	6,659
Cash and cash equivalents at beginning of the year	16,739	11,641	1,810	257	9	1	18,558	11,899
Cash and cash equivalents at end of the year	19,700	16,739	930	1,810	1	9	20,631	18,558

11. Investments in associates

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Quoted shares, at cost	305,540,193	305,540,193	305,540,193	305,540,193
Less: Accumulated impairment losses	(68,805,222)	(21,713,981)	(72,017,882)	(31,628,731)
	236,734,971	283,826,212	233,522,311	273,911,462
Group's share of post-acquisition reserves and profit	(3,212,660)	(9,914,750)	-	-
	233,522,311	273,911,462	233,522,311	273,911,462
Unquoted shares, at cost	19,397,219	19,397,219	16,747,096	16,747,096
Less: Accumulated impairment losses	-	-	(16,747,095)	(16,747,095)
	19,397,219	19,397,219	1	1
Group's share of post-acquisition reserves and profit	(15,876,062)	(15,832,333)	-	-
	3,521,157	3,564,886	1	1
	237,043,468	277,476,348	233,522,312	273,911,463
Market value				
- equity instruments quoted in Malaysia	233,522,311	273,911,462	233,522,311	273,911,462

11. Investments in associates (cont'd)

(a) Details of the Group's associates are as follows:

Name of associates	Principal activities	Proportion of ownership interest 2016 %	2015 %
Kumpulan Europlus Berhad	Investment holding	25	25
Premier Capital Holdings Sdn. Bhd.	Investment holding	24	24
Associates of MWE Properties Sdn. Bhd.			
Ribuan Wangsa Sdn. Bhd.	Property development	50	50
Weld Quay Development Sdn. Bhd.	Property development and investment holding	50	50
Associates of Davex Holdings Berhad			
Advanced Mobile Services & Solutions Sdn. Bhd.	Investment holding	36	36

All the above companies are incorporated in Malaysia unless otherwise disclosed and are audited by firms other than Ernst & Young and applied the equity method accounting model.

In the previous financial period, the Company subscribed 109,165,500 shares together with 54,582,750 of free warrants in Kumpulan Europlus Berhad ("KEB") at the Rights Issue price of RM1.08 pursuant to KEB Rights Issue exercise. The Company paid RM117,898,740 to take up the KEB Rights Issue shares with free warrants.

The financial statements of the above associates are coterminous with those of the Group, except for Advanced Mobile Services & Solutions Sdn. Bhd., Ribuan Wangsa Sdn. Bhd. and Weld Quay Development Sdn. Bhd. which have a financial year end of 31 December. For the purpose of applying the equity method of accounting, the financial statements of these associates for the year ended 31 December 2015 has been used and appropriate adjustments have been made for the effects of significant transactions between 31 March 2016 and that date.

Included in the investment in associate of the Group and of the Company are quoted investments of RM74,336,000 (2015: RM27,158,450) which are pledged to the bank for banking facilities granted to the Company as disclosed in Note 21.

11. Investments in associates (cont'd)

(b) Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts in the FRS financial statements of the associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Kumpulan Europlus Bhd At 31.3.2016 RM'000	Kumpulan Europlus Bhd At 31.3.2015 RM'000
Non-current assets	914,349	221,386
Current assets	1,502,229	533,947
Total assets	2,416,578	755,333
Non-current liabilities	1,239,537	232
Current liabilities	484,177	89,922
Total liabilities	1,723,714	90,154
Net assets	692,864	665,179

(ii) Summarised statement of comprehensive income

	Kumpulan Europlus Bhd 1.4.2015 to 31.3.2016 RM'000	Kumpulan Europlus Bhd 1.1.2014 to 31.3.2015 RM'000
Revenue	583,309	23,792
Profit before tax	29,574	22,617
Profit for the year/period	26,822	21,072
Other comprehensive loss	-	(1,579)
Total comprehensive income	26,822	19,493

11. Investments in associates (cont'd)

(b) Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts in the FRS financial statements of the associate and not the Group's share of those amounts. (cont'd)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	Kumpulan Europlus Bhd	
	At 31.3.2016 RM'000	At 31.3.2015 RM'000
At 1 April 2015/1 January 2014	623,081	144,244
Right issues	-	459,344
Profit for the year/period	26,822	21,072
Other comprehensive loss	-	(1,579)
Net assets at 31 March	649,903	623,081
Interest in associate	25%	25%
Net assets of Group's interest in associate	162,399	155,697
Goodwill	139,928	139,928
Less: Impairment	(68,805)	(21,714)
Carrying value of Group's interest in associate	233,522	273,911

(c) Aggregate information of associates that are not individually material

	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
The Group's share of (loss)/profit before tax	(498,171)	520,418
The Group's share of (loss)/profit after tax	(498,171)	603,208
The Group's share of total comprehensive (loss)/income	(498,171)	603,208

(d) Unrecognised share of losses in associates

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
The unrecognised share of loss in associates for the year/period	(65,221)	(28,984)
Cumulative share of loss in associates	(4,816,598)	(4,751,377)

12. Other investments

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Available-for-sale financial assets				
Equity instruments quoted in Malaysia				
- At market value	208,780,241	238,124,659	208,780,241	238,124,659
Unquoted equity instruments, at cost	36,607,521	48,298,656	27,695,468	30,682,016
Less: Accumulated impairment losses	(34,152,890)	(30,774,951)	(27,553,891)	(15,471,376)
	2,454,631	17,523,705	141,577	15,210,640
	211,234,872	255,648,364	208,921,818	253,335,299

Included in the other investments of the Group and of the Company are quoted investments of RM208,780,241 (2015: RM238,124,659) pledged to the bank for banking facilities granted to the Company.

During the financial year, unrealised loss on fair valuation of available-for-sale financial assets amounting to RM29,344,418 (2015: RM25,727,818) for both the Group and the Company were taken to other comprehensive income.

In the current financial year, realised gain on disposal of available-for-sale investments amounting to RM 359,938 (2015: Nil) was taken to profit or loss (Note 33) for both the Group and the Company.

Impairment losses

During the financial year, both the Group and the Company recognised impairment losses of RM12,293,999 (2015: RM100,521) for unquoted equity instruments carried at cost respectively as these investments have been consecutively incurring losses for a prolonged period. The Group and the Company treats "prolonged" as greater than 12 months.

13. Property development costs

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At 1 April 2015/1 January 2014		
- Freehold land, at cost	7,736,218	7,736,218
- Leasehold land, at cost	-	16,443,832
- Development costs	328,496	95,774,377
	8,064,714	119,954,427
Add: Cost incurred during the year/period	14,782	15,710
Less: Reversal of completed projects	-	(111,905,423)
	8,079,496	8,064,714
Less: Costs recognised as an expense in the profit or loss		
- Recognised in previous financial years	-	(111,905,423)
- Reversal of completed projects	-	111,905,423
At 31 March	8,079,496	8,064,714

The Group recognises property development activities based on the percentage of completion method. The stage of completion of the property development activities is determined by the proportion of the actual development costs incurred to-date to estimated total costs.

14. Inventories

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At cost		
Raw materials	13,727,098	18,805,350
Work-in-progress	13,438,951	13,174,101
Finished goods	8,799,623	1,313,648
Consumable stores and spares	3,628,136	5,393,142
Commercial trucks held for sale	5,618,544	5,923,901
Inventories of completed development units	1,143,390	1,143,390
	46,355,742	45,753,532
At net realisable value		
Commercial trucks held for sale	50,800	50,800
	46,406,542	45,804,332

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM241,590,019 (2015: RM284,151,244).

14. Inventories (cont'd)

Inventories pledged to bank for banking facilities granted to a subsidiary are as follows:

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Consumable stores and spares	3,599,518	5,293,902
Commercial trucks held for sale	5,669,344	5,639,253
	9,268,862	10,933,155

15. Amount due from/(to) subsidiaries

	Company	
	At 31.3.2016 RM	At 31.3.2015 RM
Amount due from subsidiaries	37,246,357	35,138,821
Less: Allowance for impairment	(24,913,830)	(17,043,221)
	12,332,527	18,095,600
Amount due to subsidiaries	(12,023,412)	(20,397,098)

(a) Amount due from subsidiaries

The amount due from subsidiaries are unsecured, repayable on demand and bear interest rates of between 6.21% and 6.25% (2015: 5.60% and 6.25%) per annum.

(b) Amount due to subsidiaries

The amount due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

16. Amount due from associates

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Amount due from associates	17,407,741	17,730,703
Less: Allowance for impairment	(1,644,438)	(1,617,400)
	15,763,303	16,113,303

The amount due from associates are unsecured, non-interest bearing and repayable on demand.

17. Trade and other receivables

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Trade receivables				
Third parties	23,994,761	39,806,407	-	-
Less: Allowance for impairment	(3,990,258)	(3,775,675)	-	-
Trade receivables, net	20,004,503	36,030,732	-	-
Other receivables				
Third parties	8,968,867	11,744,999	428,275	1,757,419
Less: Allowance for impairment	(3,091,296)	(8,060,725)	(428,275)	(428,275)
Other receivables, net	5,877,571	3,684,274	-	1,329,144
Deposits	754,170	759,391	4,500	4,500
	6,631,741	4,443,665	4,500	1,333,644
Total trade and other receivables	26,636,244	40,474,397	4,500	1,333,644
Add: Cash and bank balances (Note 18)	100,487,468	91,147,439	1,171,582	4,637,406
Add: Amount due from associates (Note 16)	15,763,303	16,113,303	-	-
Add: Amount due from subsidiaries (Note 15)	-	-	12,332,527	18,095,600
Total loans and receivables	142,887,015	147,735,139	13,508,609	24,066,650

Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are granted credit periods of 1 to 180 (2015: 1 to 180) days.

Other receivables and deposits are from the normal business transactions of the Group.

The collectibility of receivables is assessed on an ongoing basis. Allowance for impairment is made for any receivables when there is objective evidence that an impairment loss has been incurred.

The allowance for impairment is made based on a review of all outstanding amounts as at the reporting date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

17. Trade and other receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Neither past due nor impaired	4,742,651	15,461,181
1 to 30 days past due not impaired	9,687,507	9,328,533
31 to 60 days past due not impaired	1,406,316	5,698,915
61 to 90 days past due not impaired	456,199	4,011,428
91 to 120 days past due not impaired	2,912,076	971,865
More than 121 days past due not impaired	799,754	558,810
	15,261,852	20,569,551
Impaired	3,990,258	3,775,675
Total	23,994,761	39,806,407

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM15,261,852 (2015: RM20,569,551) that are past due at the reporting date but not impaired and are unsecured in nature.

Receivables that are impaired

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

	Group Individually impaired	
	At 31.3.2016 RM	At 31.3.2015 RM
Trade receivables - nominal amounts	3,990,258	3,775,675
Less : Allowance for impairment	(3,990,258)	(3,775,675)
	-	-

17. Trade and other receivables (cont'd)

Movement in allowance accounts - trade receivables

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At 1 April 2015/1 January 2014	3,775,675	4,498,320
Charge for the year/period (Note 36)	238,497	11,905
Written off	-	(671,325)
Reversal of impairment loss (Note 33)	(18,968)	(42,190)
Exchange differences	(4,946)	(21,035)
At 31 March	3,990,258	3,775,675

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM3,091,296 (2015: RM8,060,725) and RM428,275 (2015: RM428,275) respectively for impairment of the unsecured advances given to third parties.

Movement in allowance accounts - other receivables

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
At 1 April/1 January 2014	8,060,725	7,791,881	428,275	428,275
Charge for the year/period (Note 36)	348,903	321,823	-	-
Written off	(2,410,984)	-	-	-
Reclassified to assets of disposal group classified as held for sale	(3,100,846)	-	-	-
Exchange differences	193,498	(52,979)	-	-
At 31 March	3,091,296	8,060,725	428,275	428,275

18. Cash and bank balances

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Cash on hand and at banks	71,253,802	53,868,069	1,171,582	621,695
Deposits with				
- Licensed banks in Malaysia	12,657,959	14,795,660	-	4,015,711
- Foreign banks	17,072,783	22,483,710	-	-
	100,984,544	91,147,439	1,171,582	4,637,406
Reclassified to assets of disposal group classified as held for sale (Note 19)	(497,076)	-	-	-
	100,487,468	91,147,439	1,171,582	4,637,406
Cash and bank balance	100,984,544	91,147,439	1,171,582	4,637,406
Less: Deposits with licensed banks with maturity of more than 3 months	(1,606,772)	(1,518,889)	-	-
Less: Bank overdrafts (Note 21)	-	(31,011)	-	-
Cash and cash equivalents	99,377,772	89,597,539	1,171,582	4,637,406

Included in cash and bank balances of the Group are the following monies for specific purposes:

- amounts of RM14,482 (2015: RM664,169) maintained in a housing development account by certain subsidiaries in accordance with Part III, Section 7A of the Housing Development (Control and Licensing) Act 1966 (Act 118) & Regulations.
- amounts of RM16,824 (2015: RM16,824) placed in Building Maintenance Account pursuant to Part IV, Section 16 of the Building and Common Property (Maintenance and Management) Act 2007 (Act 663) and the Schedule III, Clause 5 of the Deed of Covenant entered into between the Developer and the Purchasers.
- amounts of RM22,186 (2015: RM42,819) placed in trust accounts pursuant to Clauses 11.01, 12.02 and 13.01 of the Trust Deed entered into by a subsidiary with AmTrustee Berhad and Licensees of Monterez Golf & Country Club Bhd.

The interest rates of the deposits are as follows:

	Group		Company	
	At 31.3.2016 %	At 31.3.2015 %	At 31.3.2016 %	At 31.3.2015 %
Licensed banks in Malaysia	2.95 - 4.10	2.25 - 3.70	3.20 - 3.25	2.80 - 3.20
Foreign banks	5.20	2.25 - 3.50	-	-

All the deposits have maturity periods of less than one year.

Fixed deposits amounting to RM1,606,772 (2015: RM1,503,178) of the Group is pledged as securities for bank guarantees and other credit facilities granted to the Group and the Company.

Included in fixed deposits of the Group is an amount of RM185,046 (2015: RM300,823) placed in trust accounts pursuant to Clauses 12.02 and 13.01 of the Trust Deed entered into by a subsidiary with AmTrustee Berhad and Licensees of Monterez Golf & Country Club Bhd.

19. Discontinued operation and disposal group held for sale

On 5 May 2016, the Company and its indirect wholly-owned subsidiary, Melati Mewah Sdn Bhd ("MMSB") had on the same date entered into separate conditional Sale and Purchase Agreements respectively with Newfields Land Sdn Bhd's ("NLSB") wholly-owned subsidiaries in relation to the disposals by:

i) MMSB of its nine (9) pieces of leasehold lands, all located in the Mukim of Raja, District of Petaling, Selangor Darul Ehsan measuring approximately 481,925 square meters to Pristine Primavera Sdn Bhd, a wholly-owned subsidiary of NLSB for a cash consideration of RM54,930,000; and

ii) the Company of its entire shareholding of 25,000,000 ordinary shares of RM1 each representing 100% equity interest in MWE Golf & Country Club Berhad to Saujana Setara Sdn Bhd, a wholly-owned subsidiary of NLSB for a cash consideration of RM1.

The decision is consistent with the Group's strategy to focus on its core businesses and to dispose companies which are either loss making and non-core to the Group's main business activities.

As at 31 March 2016, the assets and liabilities related to MWE Golf & Country Club Berhad ("MGCCB") have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results are presented separately on the statement of comprehensive income as "Loss from discontinued operation, net of tax".

Statements of financial position disclosures

The assets and liabilities of the disposal group classified as held for sale in the statement of financial position as at 31 March 2016 are as follows:

	Group At 31.3.2016 RM
Assets of disposal group classified as held for sale	
Property, plant and equipment (Note 4)	43,361,346
Inventories	20,939
Trade and other receivables	879,487
Prepayments	264,254
Cash and bank balances (Note 18)	497,076
	45,023,102

Included in property, plant and equipment is an amount of RM42,957,438 pledged as securities for banking and other credit facilities granted to the Company.

19. Discontinued operation and disposal group held for sale (cont'd)

	Group At 31.3.2016 RM
Liabilities directly associated with disposal group classified as held for sale	
Trade and other payables	(3,870,672)
Loans and borrowings	(80,385)
Deferred income	(11,850,928)
	(15,801,985)
Net assets directly associated with disposal group classified as held for sale	29,221,117

Statements of comprehensive income disclosures

The results of MGCCB for the year/period were as follows:

	Group 1.4.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.3.2015 RM
Gross revenue	6,290,734	8,644,417
Cost of sales	(6,298,731)	(8,719,114)
Gross loss	(7,997)	(74,697)
Interest income	11,839	9,082
Other income	507,361	802,562
Administrative and other expenses	(504,409)	(933,310)
Profit/(loss) from operations	6,794	(196,363)
Finance costs	(4,710)	(9,496)
Profit/(loss) before tax	2,084	(205,859)
Tax expense (Note 35)	(2,508)	-
Loss after tax (Note 36)	(424)	(205,859)

20. Trade and other payables

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Trade payables				
Third parties	14,063,448	19,453,978	-	-
Other payables				
Other payables	3,360,829	9,852,047	128,369	179,393
Deposits	3,183,706	3,506,178	303,400	-
Accruals	11,425,959	13,168,843	3,934,723	4,062,926
	17,970,494	26,527,068	4,366,492	4,242,319
Total trade and other payables	32,033,942	45,981,046	4,366,492	4,242,319
Add: Loans and borrowings (Note 21)	203,718,180	208,075,146	199,850,000	202,000,000
Add: Amount due to subsidiaries (Note 15)	-	-	12,023,412	20,397,098
Total financial liabilities carried at amortised cost	235,752,122	254,056,192	216,239,904	226,639,417

(a) Trade payables

Trade payables comprise amounts outstanding from trade purchases.

The normal credit periods granted by trade suppliers and sub-contractors are between 7 and 180 (2015: 7 and 180) days.

(b) Other payables, deposits and accruals

Other payables, deposits and accruals are from the normal business transactions of the Group. These amounts are non-interest bearing and are normally settled on an average term of 15 to 120 (2015: 15 to 120) days.

21. Loans and borrowings

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Current				
Secured				
Obligations under finance lease (Note 22)	290,962	480,394	-	-
Bankers' acceptances and trust receipts	-	1,234,000	-	-
Revolving credits	150,350,000	150,000,000	149,850,000	149,500,000
Term loans	5,387,153	2,889,032	5,000,000	2,500,000
	156,028,115	154,603,426	154,850,000	152,000,000
Unsecured				
Bank overdrafts	-	31,011	-	-
Revolving credits	1,300,000	1,300,000	-	-
	1,300,000	1,331,011	-	-
	157,328,115	155,934,437	154,850,000	152,000,000
Non-current				
Secured				
Obligations under finance lease (Note 22)	104,853	476,201	-	-
Term loans	46,285,212	51,664,508	45,000,000	50,000,000
	46,390,065	52,140,709	45,000,000	50,000,000
Total loans and borrowings	203,718,180	208,075,146	199,850,000	202,000,000

The remaining maturities of the loans and borrowings as at 31 March 2016 are as follows:

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
On demand or within 1 year	157,328,115	155,934,437	154,850,000	152,000,000
More than 1 year and less than 2 years	20,443,124	5,694,797	20,000,000	5,000,000
More than 2 years and less than 5 years	25,946,941	34,298,588	25,000,000	33,000,000
5 years or more	-	12,147,324	-	12,000,000
	203,718,180	208,075,146	199,850,000	202,000,000

21. Loans and borrowings (cont'd)

The interest rates per annum of the bank borrowings are as follows:

	Group		Company	
	At 31.3.2016 %	At 31.3.2015 %	At 31.3.2016 %	At 31.3.2015 %
Bankers' acceptances and trust receipts	3.27 - 5.02	3.27 - 5.02	-	-
Bank overdrafts	7.35 - 8.85	7.35 - 8.85	7.60 - 7.85	7.60 - 7.85
Revolving credits	4.53 - 6.47	4.53 - 5.76	4.72 - 5.60	4.53 - 5.60
Term loan	4.65 - 5.65	4.65 - 5.65	4.65 - 5.65	4.65 - 5.65

The secured bankers' acceptances, trust receipts and revolving credit of the Group and of the Company are secured by certain assets of the Group and of the Company as disclosed in Note 4(b), Note 5, Note 11, Note 12, Note 14 and Note 18.

The term loans of the Group are secured by the following:

(a) Third party fixed and floating charges over the freehold and leasehold lands, buildings and investment properties of certain subsidiaries as disclosed in Note 4(b) and Note 5.

(b) Charge over quoted investment in associate as disclosed in Note 11.

(c) Charge over certain equity instruments as disclosed in Note 12.

Other information on financial risks of borrowings are disclosed in Note 47.

22. Finance lease commitments

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Minimum lease payments		
Not later than 1 year	302,586	522,627
Later than 1 year and not later than 2 years	70,524	334,567
Later than 2 years and not later than 5 years	39,089	162,888
Total future minimum lease payments	412,199	1,020,082
Less: Future finance charges	(16,384)	(63,487)
Present value of minimum lease payments	395,815	956,595

22. Finance lease commitments (cont'd)

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Analysis of present value of finance lease liabilities		
Not later than 1 year	290,962	480,394
Later than 1 year and not later than 2 years	63,828	315,501
Later than 2 years and not later than 5 years	41,025	160,700
	395,815	956,595
Less: Amount due within 12 months (Note 21)	(290,962)	(480,394)
Amount due after 12 months (Note 21)	104,853	476,201

The effective interest rates of the hire purchase and finance lease liabilities are between 2.36% and 5.10% (2015: 2.36% and 5.10%) per annum. These finance lease liabilities are secured by a charge over the leased assets as disclosed in Note 4.

23. Derivatives liabilities

	Group			
	At 31.3.2016 RM		At 31.3.2015 RM	
	Contract/ Notional Amount	Liabilities	Contract/ Notional Amount	Liabilities
Non-hedging derivatives				
Current				
Forward currency contracts	3,825,765	187,166	NIL	-

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure. Such derivatives do not qualify for hedge accounting.

24. Deferred tax liabilities

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
At 1 April 2015/1 January 2014	2,101,275	1,888,900
Recognised in profit or loss (Note 35)	3,091,749	250,995
Transfer to revaluation reserve	-	(48,485)
Exchange differences	7,583	9,865
At 31 March	5,200,607	2,101,275

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

Deferred tax assets of the Group

	Unused tax losses and unabsorbed capital allowances RM	Others RM	Total RM
At 1 April 2015	159,781	17,061	176,842
Recognised in profit or loss	-	-	-
At 31 March 2016	159,781	17,061	176,842
At 1 January 2014	159,781	51,949	211,730
Recognised in profit or loss	-	(34,888)	(34,888)
At 31 March 2015	159,781	17,061	176,842

24. Deferred tax (cont'd)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Investment properties RM	Total RM
At 1 April 2015	(808,996)	(1,469,121)	(2,278,117)
Recognised in profit or loss	(3,038,583)	(53,166)	(3,091,749)
Exchange differences	(7,583)	-	(7,583)
At 31 March 2016	(3,855,162)	(1,522,287)	(5,377,449)
At 1 January 2014	(679,352)	(1,421,278)	(2,100,630)
Recognised in profit or loss	(119,779)	(96,328)	(216,107)
Transfer to revaluation reserve	-	48,485	48,485
Exchange differences	(9,865)	-	(9,865)
At 31 March 2015	(808,996)	(1,469,121)	(2,278,117)

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

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Unused tax losses	36,978,203	34,759,059
Unabsorbed capital allowances	3,879,088	3,745,342
Other deductible temporary differences	131,634	131,634
	40,988,925	38,636,035

At the reporting date, the Group has unused tax losses and unabsorbed capital allowances of approximately RM36,978,203 (2015: RM34,759,059) and RM3,879,088 (2015: RM3,745,342) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

25. Deferred income

Deferred income represents club membership licence fees received in advance by a subsidiary. The licence fees received are recognised in the statements of comprehensive income on a time proportion basis over the licence period.

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Licence fees received from		
- Club members	-	11,676,221
- Instalment scheme	-	920,450
	-	12,596,671

At the reporting date, deferred income was reclassified to liabilities directly associated with disposal group classified as held for sale (Note 19).

26. Share capital

	Group and Company			
	Number of ordinary shares of RM1 each		Amount	
	At 31.3.2016	At 31.3.2015	At 31.3.2016 RM	At 31.3.2015 RM
Authorised				
At beginning/end of the year	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
At beginning/end of the year	231,559,015	231,559,015	231,559,015	231,559,015

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

27. Reserves

		Group		Company	
		At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Non-distributable					
Share premium		23,586,099	23,586,099	23,586,099	23,586,099
Exchange translation reserve	(a)	12,296,165	9,853,502	-	-
Capital reserve	(b)	4,156	4,156	-	-
Revaluation reserve	(c)	3,684,896	3,684,896	-	-
Fair value reserve	(d)	89,874,762	119,219,180	89,874,762	119,219,180
		129,446,078	156,347,833	113,460,861	142,805,279
Distributable					
Retained earnings		201,025,790	240,786,732	161,632,795	192,725,745
		330,471,868	397,134,565	275,093,656	335,531,024

(a) Exchange translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Capital reserve

The capital reserve represents the bonus shares issued by certain subsidiaries from the capitalisation of subsidiaries' post-acquisition reserves.

(c) Revaluation reserve

Revaluation reserve represents the cumulative fair value changes, net of tax, of a subsidiary's property, plant and equipment carried at cost less accumulated depreciation prior to its transfer to investment property which is carried at fair value.

(d) Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed off or impaired.

28. Treasury shares

	Group and Company	
	At 31.3.2016 RM	At 31.3.2015 RM
	1,930,638	1,930,638

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company repurchased 355,000 ordinary shares during the financial year 2005 for a total consideration of RM234,841 from the open market at prices ranging from RM0.65 to RM0.67 per share.

Subsequently, the Company repurchased a total of 969,000 ordinary shares at a total consideration of RM1,695,797 from the open market at prices ranging from RM1.68 to RM1.80 per share.

The repurchased shares are being held as treasury shares and carried at cost in accordance with the requirements of Section 67A of the Companies Act, 1965. Treasury shares have no rights to voting, dividend and participation in other distribution.

As at 31 March 2016, the number of treasury shares held is 1,324,000 (2015: 1,324,000) ordinary shares.

29. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 March under the single tier system.

30. Revenue

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Sale of goods	292,431,518	342,487,439	-	-
Rendering of services	4,234,547	4,556,389	-	-
Sales of properties	78,880	-	-	-
Rental income from investment property	5,369,941	5,816,162	-	-
Profit from project	-	539,755	-	-
Dividend income				
- subsidiaries	-	-	15,800,000	189,600,000
- equity instruments (quoted in Malaysia)	10,564,610	16,527,678	10,564,610	16,527,678
- equity instruments (quoted outside Malaysia)	-	4,650	-	4,650
- equity instruments (unquoted outside Malaysia)	473,419	383,876	473,419	383,876
	313,152,915	370,315,949	26,838,029	206,516,204

31. Cost of sales

	Group	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Cost of goods sold	241,590,019	284,151,244
Cost of services rendered	4,049,384	2,633,431
Direct operating costs relating to rental income of investment properties	2,532,542	2,127,636
	248,171,945	288,912,311

32. Interest income

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Interest income from				
- subsidiaries	-	-	1,085,363	1,567,109
- licensed institutions	1,437,301	1,682,999	19,332	106,677
	1,437,301	1,682,999	1,104,695	1,673,786

33. Other income

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Fair value gain on investment properties (Note 5)	902,000	1,058,000	-	-
Gain on disposal of				
- associates	-	442,441	-	-
- property, plant and equipment	2,322,771	11,229	-	-
- quoted investments	-	6,149,845	-	6,149,845
- subsidiaries	-	1,266,754	-	-
- unquoted investments	359,938	-	359,938	-
Gain on dissolution of a subsidiary	888,057	-	-	-
Gain on foreign exchange				
- realised	1,260,596	455,325	-	-
- unrealised	1,422,174	522,054	-	-
Rental income	-	324,570	-	-
Reversal of impairment loss on				
- advances to subsidiaries	-	-	1,381,986	10,000
- investment in subsidiary	-	-	21,493,097	-
- trade receivables	18,968	42,190	-	-
Write-back of provision	-	5,374,071	-	5,374,071
Other income	934,060	471,521	-	55,287
	8,108,564	16,118,000	23,235,021	11,589,203

34. Finance costs

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Interest expense on				
- bank borrowings	12,301,444	11,517,493	10,494,593	10,069,042
- obligation under finance leases	37,972	85,224	-	-
	12,339,416	11,602,717	10,494,593	10,069,042

35. Income tax expense

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Current income tax				
- Malaysian income tax	2,797,743	4,251,166	157,000	321,000
- Foreign tax	3,289,673	2,775,109	-	-
	6,087,416	7,026,275	157,000	321,000
Under/(over) provision in prior years				
- Malaysian income tax	72,961	(284,508)	42,229	101,716
- Foreign tax	108,127	1,094	-	-
	6,268,504	6,742,861	199,229	422,716
Deferred tax (Note 24)				
- Relating to origination and reversal of temporary differences	2,969,363	248,337	-	-
- Under provision in prior years	122,386	2,658	-	-
	3,091,749	250,995	-	-
Income tax attributable to continuing operations	9,360,253	6,993,856	199,229	422,716
Income tax attributable to discontinued operations (Note 19)	2,508	-	-	-
Income tax expense recognised in profit or loss	9,362,761	6,993,856	199,229	422,716

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

35. Income tax expense (cont'd)

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

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
(Loss)/profit before tax from continuing operations	(27,319,044)	30,996,365	(26,289,021)	132,884,149
Profit/(loss) before tax from discontinued operations (Note 19)	2,084	(205,859)	-	-
Accounting profit before tax	(27,316,960)	30,790,506	(26,289,021)	132,884,149
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	(6,556,070)	7,697,627	(6,309,365)	33,221,037
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	610,300	150,764	-	-
Expenses not deductible for tax purposes	22,030,142	10,710,964	18,436,183	21,613,684
Income not subject to tax	(3,861,124)	(8,529,630)	(11,969,818)	(54,513,721)
Tax effect of deferred tax at different statutory rate	-	357,890	-	-
Tax effect of differences in tax rate	(1,522,856)	(1,449,171)	-	-
Utilisation of previously unrecognised deductible temporary differences	(45,606)	(258,649)	-	-
Under/(over) provision of tax expense in prior years				
- continuing operations	181,088	(283,414)	42,229	101,716
- discontinued operations	2,508	-	-	-
Underprovision of deferred tax in prior years	122,386	2,658	-	-
Share of results of associates	(1,598,007)	(1,405,183)	-	-
Income tax expense recognised in profit or loss	9,362,761	6,993,856	199,229	422,716

36. (Loss)/Profit net of tax

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

	Group			
	Continuing operations		Discontinued operations	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Amortisation of				
- biological assets (Note 8)	614,093	767,617	-	-
- intangible assets (Note 9)	20,098	-	-	-
- land use rights (Note 7)	436,712	593,484	-	-
Auditors' remuneration				
- current year	353,930	376,916	12,000	16,500
- other services	10,340	8,000	-	-
- under provision in prior years	75,477	98,391	-	-
Bad debts written off	29	-	-	-
Depreciation of property, plant and equipment (Note 4)	3,131,298	3,695,435	674,640	878,126
Employee benefits expense (Note 41)	72,678,646	80,087,168	2,936,903	3,971,770
Loss on disposal of property, plant and equipment	35,946	-	-	159
Impairment loss on				
- advances to associates	27,038	49,500	-	-
- trade receivables	238,497	11,905	-	-
- other receivables	348,903	272,506	-	49,317
- investment in associates	47,091,241	21,376,278	-	-
- unquoted equity investments	12,293,999	100,521	-	-
Net fair value loss on derivative liabilities/assets	187,166	2,520	-	-
Loss on foreign exchange				
- realised	2,077,454	136,478	-	-
- unrealised	176,014	493,671	-	-
Operating leases				
- rental of land	920,817	1,270,311	-	-
- rental of machinery	5,600	6,460	133,837	150,139
- rental of premises	1,457,396	1,503,804	-	-
Property, plant and equipment written off	5,116	12,805	-	960
Write-down of inventories	24,231	599,393	-	-
Write-off of				
- unquoted equity investments	13	-	-	-
- inventories	2,080,648	359,325	-	-

36. (Loss)/Profit net of tax (cont'd)

The following amounts have been included in arriving at (loss)/profit net of tax (cont'd):

	Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Auditors' remuneration		
- current year	92,000	99,000
- other services	8,000	8,000
- under provision in prior year	81,500	35,000
Employee benefits expense (Note 41)	33,500	30,500
Impairment loss on		
- advances to subsidiaries	9,252,595	6,546,358
- investment in subsidiaries	3,000,000	50,362,104
- investment in associates	40,389,151	16,495,278
- unquoted equity investment	12,293,999	100,521
Investment in unquoted equity investment written off	2	-
Loss on disposal of subsidiaries	-	185,953

37. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing (loss)/profit for the year/period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year/period, excluding treasury shares held by the Company.

	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
i) Continuing operation		
(Loss)/profit net of tax attributable to owners of the parent used in the computation of basic earnings per share	(35,156,242)	22,853,238
Number of ordinary shares at 31 March	231,559,015	231,559,015
Less: Number of treasury shares held at 31 March	(1,324,000)	(1,324,000)
	230,235,015	230,235,015
Basic earnings per share (sen)	(15.27)	9.93
ii) Discontinued operation		
Loss net of tax attributable to discontinued operation (Note 19)	(424)	(205,859)
Number of ordinary shares at 31 March	231,559,015	231,559,015
Less: Number of treasury shares held at 31 March	(1,324,000)	(1,324,000)
	230,235,015	230,235,015
Basic earnings per share (sen)	-	-

(b) Diluted

The Company has no potential dilutive equity instrument in issue and therefore, there is no dilutive effects on earnings per share.

There have been no other transactions involving ordinary shares or potential shares since the reporting date and before the completion of these financial statements.

38. Dividends

	Group and Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Recognised during the financial year/period		
Final dividend for 2013: 2% single-tier dividend on 230,235,015 ordinary shares declared on 12 June 2014 and paid on 31 July 2014 (2 sen per ordinary share)	-	4,604,700
Interim dividend for 2015: 2% single-tier dividend on 230,235,015 ordinary shares declared on 29 April 2015 and paid on 3 June 2015 (2 sen per ordinary share)	4,604,700	-
	4,604,700	4,604,700
Net dividend per ordinary share (sen)	2.00	2.00

On 25 May 2016, an interim single-tier dividend in respect of the financial year ended 31 March 2016, of 2% on 230,235,015 ordinary shares, amounting to RM4,604,700 (2 sen per ordinary share) was declared and paid on 29 June 2016. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2017.

39. Analysis of disposal of subsidiaries

In the previous financial period, the Company disposed its entire shareholding of 300,000 ordinary shares of RM1 each in both Etika Gangsa Sdn Bhd and Taka Worldwide Trading Sdn Bhd for a total consideration of RM4,197,693.

The disposal had the following effects on the financial position of the Group as at the end of the period:

	At 31.3.2015 RM
Non-current assets	3,706,830
Current assets	15,675
Current liabilities	(950,838)
	2,771,667
Total disposal proceeds, net of expenses	4,034,069
Gain on disposal to the Group	1,262,402
Cash inflow/(outflow) arising on disposals:	
Cash consideration	4,034,069
Cash and cash equivalents of subsidiaries disposed	(477)
Net cash inflow on disposal	4,033,592

40. Analysis of liquidation of subsidiary

On 27 August 2015, the subsidiary of the Company, Round and Round Pte Ltd was dissolved pursuant to Section 308 of the Companies Act, Cap 50.

41. Employee benefits expense

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Wages and salaries	64,645,611	71,949,193	33,500	30,500
Contribution to defined contribution plan	3,598,369	4,167,100	-	-
Other benefits	7,371,569	7,942,645	-	-
	75,615,549	84,058,938	33,500	30,500

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM6,287,073 (2015: RM6,044,660) and RM136,000 (2015: RM155,500) respectively as further disclosed in Note 42.

42. Directors' remuneration

The details of remuneration receivable by directors of the Group and of the Company during the financial year/period are as follows:

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Executive directors' remuneration				
- Fees	126,000	162,000	126,000	147,000
- Other emoluments	6,161,073	5,882,660	10,000	8,500
	6,287,073	6,044,660	136,000	155,500
Non-executive directors' remuneration				
- Fees	228,000	285,000	228,000	285,000
- Other emoluments	23,500	22,000	23,500	22,000
	251,500	307,000	251,500	307,000
Total directors' remuneration	6,538,573	6,351,660	387,500	462,500

42. Directors' remuneration (cont'd)

The number of directors of the Company whose total remuneration during the financial year/period fell within the following bands is analysed below:

	Number of directors	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Executive directors' remuneration		
RM0 - RM50,000	1	1
RM600,001 - RM700,000	1	-
RM700,001 - RM800,000	-	1
RM1,500,001 - RM1,600,000	1	-
RM1,700,001 - RM1,800,000	-	1
Non-executive directors' remuneration		
RM0 - RM50,000	4	-
RM50,000 - RM100,000	1	5

43. Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial period:

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Insurance premium paid to a subsidiary of a company with a common director	599,070	696,040	21,965	21,965
Rental paid to a subsidiary of a company with a common director	82,320	102,900	-	-
Rental income received from an associate	(6,000)	(7,500)	-	-
Insurance commission received from a subsidiary of a company with a common director	(168,115)	(184,600)	-	-
Share registration fees charged to companies with a common director	(486,832)	(585,139)	-	-
Fee charged to associate company	(112,775)	(40,330)	-	-
Accounting fees charged by a subsidiary	-	-	381,600	450,000
Management fees charged by a subsidiary	-	-	254,400	300,000
Secretarial fees charged by a subsidiary	-	-	132,940	156,940
Interest charged to subsidiaries	-	-	(1,085,363)	(1,567,109)

43. Related party transactions (cont'd)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

During the year, key management personnel compensation paid by the Group amounted to RM6,287,073 (2015: RM6,044,660) as further disclosed in Note 42.

44. Commitments

(a) Capital commitments

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Capital expenditure approved and contracted for		
- Property, plant and equipment	12,924,267	-
- Investment property	-	71,802

(b) Operating lease commitments - as lessee

In addition to the land use rights disclosed in Note 7, the Group leases agricultural land under non-cancellable operating leases for the purpose of cultivating them into oil palm plantation. These leases have lease period of 66 years expiring in 2065, with an option to renew the leases for a further 33 years upon expiry of the current leases. Changes in lease payments upon the expiry of these leases will be negotiated between the Group and the lessors, which are expected to be based on the prevailing market conditions.

None of the leases of land includes contingent rentals, except for:

(i) The lease of agricultural land of a subsidiary which is payable half yearly in advance, is determined using an agreed formula at the inception of the lease. The variable factor in the formula is the average market price of oil palm fresh fruit bunches ("FFB") of the preceding year. Thus, the future annual lease payments for the land is expected to vary according to the average market price of FFB of the preceding year. The contingent rental paid during the period was Nil (2015: Nil).

(ii) The Group also entered into commercial leases for a number of office premises, certain motor vehicles, equipment and machineries. These leases have an average tenure of between one to three years, with an option to renew the current leases after the expiry of the respective dates. Changes in lease payments, if any, after the expiry dates, are negotiated between the Group and the lessors which will normally reflect market conditions. None of the leases include contingent rentals.

44. Commitments (cont'd)

(b) Operating lease commitments - as lessee (cont'd)

Future minimum rentals payable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

	Group	
	At 31.3.2016 RM	At 31.3.2015 RM
Future minimum lease payments		
- Not later than 1 year	1,335,449	1,648,338
- Later than 1 year and not later than 5 years	4,541,619	5,958,494
- Later than 5 years	47,194,043	43,378,569
	53,071,111	50,985,401

45. Corporate guarantee

Guarantees

The Company has provided corporate guarantees of RM16,184,653 (2015: RM33,635,050), out of which RM3,472,365 (2015: RM5,118,551) relates to credit facilities granted to subsidiaries as shown in Note 21, and credit facilities granted by subsidiaries' suppliers at the reporting date. These amounts represent the maximum exposure to credit risk of the Company arising from corporate guarantee.

Upon adoption of FRS 139 effective 1 July 2010, the financial guarantees provided to the financiers for subsidiaries are no longer disclosed as contingent liabilities but would instead be recorded as financial liabilities if considered likely to crystalise. The Company has assessed the financial guarantee contracts and concluded that the enhancement provided by the corporate guarantee is minimal.

46. Fair value of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
At 31 March 2016				
Financial assets				
Investment securities (non-current)				
- unquoted equity instrument, at cost	2,454,631	*	141,577	*
Financial liabilities				
Loans and borrowings (non-current)				
- obligations under finance lease	104,853	134,529	-	-
At 31 March 2015				
Financial assets				
Investment securities (non-current)				
- unquoted equity instrument, at cost	17,523,705	*	15,210,640	*
Financial liabilities				
Loans and borrowings (non-current)				
- obligations under finance lease	476,201	484,277	-	-

* Investment in equity instrument carried at cost less impairment (Note 12)

Fair value information has not been disclosed for the Group's and the Company's investments in equity instruments that are carried at cost less impairment because fair value cannot be measured reliably. These equity instruments represent ordinary shares in companies that are not quoted on any market and does not have any comparable industry peer that is listed.

46. Fair value of financial instruments (cont'd)

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	17
Amount due from/to subsidiaries	15
Amount due from associates	16
Trade and other payables	20
Loans and borrowings	
- Bankers' acceptances and trust receipts	21
- Revolving credit	21
- Term loans	21

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amount due from/to subsidiaries and associates

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Finance lease obligations

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Derivatives

Forward currency contracts is valued using reference to their indicative offer rates as at the reporting date for similar types of contract terms.

46. Fair value of financial instruments (cont'd)

B. Determination of fair value (cont'd)

Financial guarantees

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

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

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

C. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 - other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 - techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The Group and the Company held the following financial instruments carried at fair value in the statement of financial position:

	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
Assets measured at fair value				
At 31 March 2016				
Available-for-sale financial assets				
- Equity instruments quoted in Malaysia	208,780,241	208,780,241	-	-
- Investment properties	62,705,000	-	370,000	62,335,000
- Derivatives liabilities	187,166	187,166	-	-
As 31 March 2015				
Available-for-sale financial assets				
- Equity instruments quoted in Malaysia	238,124,659	238,124,659	-	-
- Investment properties	61,803,000	-	364,000	61,439,000

46. Fair value of financial instruments (cont'd)

C. Fair value hierarchy (cont'd)

	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Company				
Assets measured at fair value				
At 31 March 2016				
Available-for-sale financial assets - Equity instruments quoted in Malaysia	208,780,241	208,780,241	-	-
As at 31 March 2015				
Available-for-sale financial assets - Equity instruments quoted in Malaysia	238,124,659	238,124,659	-	-

The Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period. There have been no transfers between Level 1 and Level 2 during the financial year.

47. Financial risk management objectives and policies

The Group's principal financial liabilities, comprise loans and borrowings as well as trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds available-for-sale ("AFS") investments.

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

47. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalent), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The maximum exposure to credit risk of the Company arising from corporate guarantees granted to banks for credit facilities granted to subsidiaries, and credit facilities granted by subsidiaries' suppliers at the reporting date is as disclosed in Note 45.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	31.3.2016		31.3.2015	
	RM	% of total	RM	% of total
By country				
Malaysia	12,988,707	65	21,850,112	61
Asia Pacific	7,015,796	35	14,180,620	39
	20,004,503	100	36,030,732	100
By industry sectors				
Textile	9,375,704	47	15,797,179	44
Telecommunications	6,564,974	33	13,941,121	39
Property	110,613	1	60,210	-
Plantation	202,245	1	62,575	-
Others	3,750,967	18	6,169,647	17
	20,004,503	100	36,030,732	100

47. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage its 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 its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from financial institution and balance its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, approximately 77% (2015: 75%) of the Group's loans and borrowings (Note 21) and 77% (2015: 75%) of the Company's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

As stated in Note 2.1, at the reporting date, the Company's current liabilities exceeded its current assets by RM157,573,343. The liquidity risk is mitigated by various quoted investment amounting to RM208,780,241 which are classified as long term assets. These quoted investment can be realised to repay the current liablities when necessary.

47. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities				
At 31 March 2016				
Trade and other payables	32,033,942	-	-	32,033,942
Loans and borrowings	160,348,044	52,220,560	-	212,568,604
Total undiscounted financial liabilities	192,381,986	52,220,560	-	244,602,546
At 31 March 2015				
Trade and other payables	45,981,046	-	-	45,981,046
Loans and borrowings	158,979,070	48,261,509	12,529,864	219,770,443
Total undiscounted financial liabilities	204,960,116	48,261,509	12,529,864	265,751,489
Company				
Financial liabilities				
At 31 March 2016				
Trade and other payables	4,366,492	-	-	4,366,492
Amounts due to subsidiaries	12,023,412	-	-	12,023,412
Loans and borrowings	157,781,260	50,709,286	-	208,490,546
Total undiscounted financial liabilities	174,171,164	50,709,286	-	224,880,450
At 31 March 2015				
Trade and other payables	4,242,319	-	-	4,242,319
Amounts due to subsidiaries	20,397,098	-	-	20,397,098
Loans and borrowings	154,931,260	46,107,340	12,339,929	213,378,529
Total undiscounted financial liabilities	179,570,677	46,107,340	12,339,929	238,017,946

47. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM221,962 (2015: RM212,413) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily United States Dollars ("USD"), Singapore Dollar ("SGD"), Euro Dollars ("EURO") and Vietnam Dong ("VND"). The foreign currencies in which these transactions are denominated are mainly USD.

The Group also holds financial assets and liabilities denominated in foreign currencies for working capital purposes. At the reporting date, the currency balances of the Group are as follows:

	Transaction Currencies				
	United States Dollar RM	Vietnam Dong RM	Singapore Dollar RM	Euro Dollar RM	Others RM
Functional currencies of the Group					
At 31 March 2016					
Cash and bank balances					
Ringgit Malaysia	22,813,698	-	-	33,905	783
United States Dollars	-	18,826,707	4,859,496	31,641	82,943
Trade and other receivables					
Ringgit Malaysia	9,563,882	-	-	-	6,954
Trade and other payables					
Ringgit Malaysia	(2,657,232)	(1,294,780)	(300)	(11,023)	-
United States Dollars	-	-	(699,411)	-	-

47. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

	Transaction Currencies				
	United States Dollar RM	Vietnam Dong RM	Singapore Dollar RM	Euro Dollar RM	Others RM
At 31 March 2015					
Cash and bank balances					
Ringgit Malaysia	22,345,466	-	636	17,116	783
United States Dollars	-	15,349,383	1,085,370	10,426	2,368
Trade and other receivables					
Ringgit Malaysia	15,349,383	-	-	-	-
United States Dollars	-	-	69,997	-	-
Other investment					
Ringgit Malaysia	12,294,000	-	-	-	-
Trade and other payables					
Ringgit Malaysia	(808,140)	-	-	(15,424)	-
United States Dollars	-	(2,518,492)	(62,748)	-	-

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including United States, Singapore and Vietnam. The Group's net investments in foreign operations are not hedged as currency positions in USD and SGD are considered to be long-term in nature.

47. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		31.3.2016	31.3.2015
		Profit net of tax (Decrease)/Increase	
		RM	RM
USD/RM	- strengthened 2%	615,957	983,614
	- weakened 2%	(615,957)	(983,614)
SGD/RM	- strengthened 2%	83,196	21,865
	- weakened 2%	(83,196)	(21,865)
EURO/RM	- strengthened 2%	414	242
	- weakened 2%	(414)	(242)
VND/RM	- strengthened 2%	350,639	2,467,799
	- weakened 2%	(350,639)	(2,467,799)

(e) Market price risk

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 (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia. These instruments are classified as other investment (Note 12). The Group does not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield.

Sensitivity analysis for equity price risk

At the reporting date, if the FTSE Bursa Malaysia KLCI had been 2% higher/lower, with all other variables held constant, the Group's reserve in equity would have been RM4,175,605 (2015: RM4,762,493) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as other investment.

48. Capital 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 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. No changes were made in the objectives, policies or processes during the year/period ended 31 March 2016 and 31 March 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 40%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve.

		Group		Company	
		At 31.3.2016	At 31.3.2015	At 31.3.2016	At 31.3.2015
	Note	RM	RM	RM	RM
Loans and borrowings	21	203,718,180	208,075,146	199,850,000	202,000,000
Trade and other payables	20	32,033,942	45,981,046	4,366,492	4,242,319
Amount due to subsidiaries	15	-	-	12,023,412	20,397,098
Less: Cash and bank balances	18	(100,487,468)	(91,147,439)	(1,171,582)	(4,637,406)
Net debt		135,264,654	162,908,753	215,068,322	222,002,011
Equity attributable to the owners of the parent		560,100,245	626,762,942	504,722,033	565,159,401
Less: Fair value reserve	27	(89,874,762)	(119,219,180)	(89,874,762)	(119,219,180)
Total capital		470,225,483	507,543,762	414,847,271	445,940,221
Capital and net debt		605,490,137	670,452,515	629,915,593	667,942,232
Gearing ratio		22%	24%	34%	33%

49. Segment information

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

I. The textile segment is involved in manufacturing and sale of garments and also leasing out textile factory to third party.

II. The telecommunications segment is involved in designing, manufacturing and distribution telecommunication products.

III. The property segment is in the business of constructing, developing and leasing out residential and commercial properties.

IV. The plantation segment is in the business of manage and operate oil palm plantation.

V. Other segments include importing and distributing of trucks, investment holding and corporate services.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

49. Segment information (cont'd)

31 March 2016	Textile RM	Tele-communications RM	Properties RM	Plantation RM	Other operations RM	Discontinued operations RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue									
External customers	218,258,229	55,380,955	4,483,621	3,327,163	31,702,947	6,290,734	(6,290,734)		313,152,915
Inter-segment	-	-	367,895	-	23,261,458	-	(23,629,353)	A	-
Total revenue	218,258,229	55,380,955	4,851,516	3,327,163	54,964,405	6,290,734	(29,920,087)		313,152,915
Result									
Interest income	1,243,333	54,757	93,444	-	45,767	11,839	(11,839)		1,437,301
Dividend income	-	-	-	-	11,038,029	-	-		11,038,029
Depreciation and amortisation	1,771,831	846,418	409,317	1,088,366	86,269	674,640	(674,640)		4,202,201
Share of results of associates	-	-	(43,729)	-	6,702,090	-	-		6,658,361
Other non-cash expenses	(623,687)	208,350	(2,855,716)	14	12,747,693	-	-	B	9,476,654
Segment profit/(loss)	28,466,634	2,581,499	2,387,102	(1,904,758)	(53,168,466)	6,794	(5,687,849)	C	(27,319,044)
Assets									
Investment in associates	-	-	3,521,156	-	233,522,312	-	-		237,043,468
Additions to non-current assets	6,456,795	4,229,128	18,502	129,848	152,031	3,500	-	D	10,989,804
Segment assets	141,697,415	38,589,846	99,239,201	28,925,559	238,119,328	45,023,102	239,575,804	E	831,170,255
Segment liabilities	13,029,476	2,243,023	4,685,734	519,371	11,743,504	15,801,985	210,256,119	F	258,279,212

49. Segment information (cont'd)

31 March 2015	Textile RM	Tele-communications RM	Properties RM	Plantation RM	Other operations RM	Discontinued operations RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue									
External customers	233,012,576	84,415,902	5,487,517	4,163,096	43,236,858	8,644,417	(8,644,417)		370,315,949
Inter-segment	-	-	482,766	-	191,156,498	-	(191,639,264)	A	-
Total revenue	233,012,576	84,415,902	5,970,283	4,163,096	234,393,356	8,644,417	(200,283,681)		370,315,949
Results									
Interest income	1,131,525	30,792	102,803	-	417,879	9,082	(9,082)		1,682,999
Dividend income	-	-	-	-	16,916,204	-	-		16,916,204
Depreciation and amortisation	2,110,599	962,282	436,793	1,432,465	114,397	878,126	(878,126)		5,056,536
Share of results of associates	626	-	345,105	-	5,275,000	-	-		5,620,731
Other non-cash expenses	(356,063)	(330,810)	(790,776)	243,707	(11,779,996)	50,436	(50,436)	B	(13,013,938)
Segment profit/(loss)	25,608,961	7,132,359	837,069	(1,643,298)	5,043,260	(196,363)	(5,785,623)	C	30,996,365
Assets									
Investment in associates	-	-	3,564,885	-	273,911,463	-	-		277,476,348
Additions to non-current assets	860,909	975,071	4,522,235	21,127	541,091	-	-	D	6,920,433
Segment assets	122,943,223	44,001,116	112,457,300	29,607,550	323,437,114	-	278,382,739	E	910,829,042
Segment liabilities	12,637,343	10,394,017	3,376,669	311,635	31,858,053	-	211,448,759	F	270,026,476

49. Segment information (cont'd)

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Bad debts written off	36	29	-
Fair value adjustment on investment property	33	(902,000)	(1,058,000)
(Gain)/loss on disposal of			
- associates	33	-	(442,441)
- property, plant and equipment		(2,286,825)	(11,229)
- quoted investments	33	-	(6,149,845)
- subsidiaries		-	(1,266,754)
- unquoted investments	33	(359,938)	-
Gain on dissolution of a subsidiary	33	(888,057)	-
Impairment loss on			
- other receivables	36	348,903	272,506
- trade receivables	36	238,497	11,905
- unquoted equity investments	36	12,293,999	100,521
Net fair value loss on derivative liabilities/assets	36	187,166	2,520
Property, plant and equipment written off	36	5,116	12,805
Reversal of impairment loss on trade receivables	33	(18,968)	(42,190)
Unrealised foreign exchange gain		(1,246,160)	(28,383)
Write-back of provision	33	-	(5,374,071)
Write-down of inventories	36	24,231	599,393
Write-off of			
- unquoted equity instrument	36	13	-
- inventories	36	2,080,648	359,325
		9,476,654	(13,013,938)

49. Segment information (cont'd)

Notes (cont'd)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd)

C The following items are added to/(deducted from) segment profit to arrive at "(loss)/profit before tax" presented in the consolidated statement of comprehensive income:

	1.4.2015 to 31.3.2016 RM	1.1.2014 to 31.3.2015 RM
Finance costs	(12,339,416)	(11,602,717)
Segment results of discontinued operations	(6,794)	196,363
Share of results of associates	6,658,361	5,620,731
	(5,687,849)	(5,785,623)

D Additions to non-current assets consist of:

	At 31.3.2016 RM	At 31.3.2015 RM
Property, plant and equipment	7,115,999	3,049,902
Land held for property development	5,322	2,351,156
Land use rights	3,675,418	1,400,000
Biological assets	-	1,500
Intangible assets	193,065	-
Other investments	-	117,875
	10,989,804	6,920,433

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	At 31.3.2016 RM	At 31.3.2015 RM
Intangible assets	315,288	136,652
Investment in associates	237,043,468	277,476,348
Tax recoverable	2,217,048	769,739
	239,575,804	278,382,739

49. Segment information (cont'd)

Notes (cont'd)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd)

F The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	At 31.3.2016 RM	At 31.3.2015 RM
Current tax payable	1,337,332	1,272,338
Deferred tax liabilities	5,200,607	2,101,275
Loans and borrowings	203,718,180	208,075,146
	210,256,119	211,448,759

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenues		Non-current assets	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Malaysia	244,711,917	285,900,047	337,720,643	422,587,814
Asia Pacific	68,440,998	84,415,902	9,685,331	5,694,045
	313,152,915	370,315,949	347,405,974	428,281,859

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	At 31.3.2016 RM	At 31.3.2015 RM
Property, plant and equipment	28,287,405	68,460,369
Investment properties	62,705,000	61,803,000
Land held for property development	11,776,075	11,770,753
Land use rights	26,000,082	22,761,376
Biological assets	7,087,252	7,701,345
Intangible assets	315,288	136,652
Other investments	211,234,872	255,648,364
	347,405,974	428,281,859

Information about a major customer

The Group does not generate revenue from any one major customer.

50. Subsequent events

On 5 May 2016, the Company and its indirect wholly-owned subsidiary, Melati Mewah Sdn Bhd ("MMSB") had on the same date entered into separate conditional Sale and Purchase Agreements respectively with Newfields Land Sdn Bhd's ("NLSB") wholly-owned subsidiaries in relation to the disposals by:

i) MMSB of its nine (9) pieces of leasehold lands, all located in the Mukim of Raja, District of Petaling, Selangor Darul Ehsan measuring approximately 481,925 sq. meters to Pristine Primavera Sdn Bhd, a wholly-owned subsidiary of NLSB for a cash consideration of RM54,930,000; and

ii) the Company of its entire shareholding of 25,000,000 ordinary shares of RM1 each representing 100% equity interest in MWE Golf & Country Club Berhad to Saujana Setara Sdn Bhd, a wholly-owned subsidiary of NLSB for a cash consideration of RM1.

On 13 May 2016, First Cosmopolitan Sdn Bhd, a wholly-owned subsidiary of the Company, transfer its wholly-owned subsidiary, namely Devanna Limited, a company incorporated in British Virgin Islands, to the Company, for a consideration of RM4,000,005.

On 13 June 2016, the Company purchased additional 6,000,000 shares in Kumpulan Europlus Berhad ("KEB"), an associate of the Company, for a total consideration of RM5,409,980. The Company increased its shareholding in KEB from 25% to 25.6%.

The Company had on 14 June 2016, announced that a Final Meeting of MWE Weaving Mills Sdn Bhd ("MWMSB"), a wholly-owned subsidiary of the Company, in relation to the Members' Voluntary Winding-up was concluded and a Return by Liquidators were lodged on the same date with the Companies Commission of Malaysia and the Receiver respectively. On the expiration of 3 months after the said lodgement, MWMSB will be dissolved.

51. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 29 June 2016.

52. Comparative

Certain comparative amounts have been reclassified to conform with current year's presentation of discontinued operations arising from the disposals as disclosed in Note 19.

53. Supplementary information - breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2016 and 31 March 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared 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.

	Group		Company	
	At 31.3.2016 RM	At 31.3.2015 RM	At 31.3.2016 RM	At 31.3.2015 RM
Total retained earnings of the Company and its subsidiaries				
- Realised profit	123,882,514	151,766,490	161,632,795	192,725,745
- Unrealised profit	4,588,349	4,673,798	-	-
	128,470,863	156,440,288	161,632,795	192,725,745
Total share of retained profits from associates				
- Realised loss	(19,088,722)	(25,747,083)	-	-
	109,382,141	130,693,205	161,632,795	192,725,745
Add: Consolidation adjustments	91,643,649	110,093,527	-	-
Retained earnings as per financial statements	201,025,790	240,786,732	161,632,795	192,725,745

TOP 10 LIST OF PROPERTIES HELD BY MWE GROUP

Particulars of Titles	Tenure	Land Area	Description/ Existing Use	Net Book Value as at 31.03.2016 (RM)	Approximate Age of Building	Year of Acquisition
H.S.(D) 139105 & 139228 P.T. 3198 & 3321 Mukim of Bukit Raja Daerah Petaling Selangor Darul Ehsan	Leasehold (99 years – expiring on 04.12.2090)	435,711 sq. m.	Golf course & Clubhouse	42,957,438	22 years	1992
Lot 818, Seksyen 19 Bandar Georgetown Daerah Timur Laut Penang	Freehold	37,703 sq. ft.	20 storey out of 25 storey office block with 1 basement car park – office & for rental	34,850,000	20 years	1990
HS (D) 429, PT 3644 Mukim Relai Daerah Jajahan Gua Musang Kelantan	Leasehold (66 years – expiring on 27.07.2065)	2,023.39 hectares	Agricultural land	20,679,510	-	2008
Lot 1233 Grant (1st Grade) 11818 Section 1, Georgetown Daerah Timur Laut, Penang	Freehold	150,910 sq. ft.	8 storey office building	18,105,000	23 years	1988 to 2011
P.T. No. 38, H.S. M 11362 & P.T. 7105, H.S.(D) 16056 Bandar Kulim, Perusahaan Kulim, Daerah Kulim, Kedah	Leasehold (60 years – expiring on 20.04.2048)	37,347 sq. m.	Factory building	8,000,000	28 years	1988
Lot No. 4792, 4793 & 4794 Mukim of Ampang Daerah Ulu Langat, Selangor and Lot No. 1630, 1631 & 1632 Mukim of Ulu Klang Daerah Gombak, Selangor	Freehold	61,812 sq. ft.	Land for development	7,449,099	-	2010
Geran 25978 & 26200 Lot 4019 & 4478 Mukim Setapak Daerah Kuala Lumpur Wilayah Persekutuan	Freehold	3,422 sq. m.	Property development	6,167,518	-	2006
Lot 139,140 & 151 Geran Mukim No. Hakmilik 9, 57 & 261, Mukim A Daerah Barat Daya Penang	Freehold	68,415 sq.m.	Land for Development	4,326,976	-	2008 & 2014
Hakmilik No. 440, Lot 186 Mukim of Bandar Selayang Daerah Gombak Selangor Darul Ehsan	Leasehold (99 years – expiring on 05.09.2074)	8,625 sq. m.	Office and factory building	3,976,611	27 years	1990
Plot 324(a), Penang Science Park, Mukim 13, Daerah Tengah, Penang	Leasehold (60 years – expiring on 08.06.2076)	91,885.46 sq.ft	Vacant Land	3,675,418	-	2015

ANALYSIS OF SHAREHOLDINGS
AS AT 11 JULY 2016

Class of security	:	Ordinary Shares of RM1.00 each
Authorised Share Capital	:	RM500,000,000
Total Issued and Paid-up capital	:	RM231,559,015
Voting right	:	1 vote per share
Number of shareholders	:	6,111

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 – 99	67	1.09	1,793	0.00
100 – 1,000	1,717	28.10	1,615,148	0.70
1,001 – 10,000	3,584	58.65	14,388,808	6.21
10,001 – 100,000	643	10.52	17,086,700	7.38
100,001 – 11,577,951	97	1.59	103,077,544	44.51
11,577,952 and above	3	0.05	95,389,022	41.20
Total	6,111	100.00	231,559,015	100.00

Directors' Shareholding

Name	No. of shares held*			
	Direct	%*	Indirect	%*
Tan Sri Dato' Surin Upatkoon	786,630	0.34	75,100,939 (a)	32.62
Tang King Hua	12,030,800	5.22	2,181,700 (b)	0.95
Lim Kong Yow	48,000	0.02	4,000 (c)	^
Dato' Lawrence Lim Swee Lin	448,000	0.19	287,000 (d)	0.12
Tan Chor Teck	470,000	0.20	10,119,280 (e)	4.39
Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat	-	-	-	-
Krian Upatkoon	-	-	-	-
Dato' Yogesvaran a/l T. Arianayagam	-	-	-	-

Notes:

* *Excluding a total of 1,324,000 MWE shares bought back by MWE and retained as treasury shares.*
^ *Insignificant.*
(a) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Pinjaya Sdn Bhd, Casi Management Sdn Bhd and Magnum Berhad.*
(b) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Idea Kosmo Sdn Bhd.*
(c) *Held through his spouse.*
(d) *Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Zenbell (Selangor) Sdn Bhd.*
(e) *Deemed interested through his family members and by virtue of Section 6A(4) of the Companies Act, 1965 held through Simansu Sdn Bhd.*

Analysis Of Shareholdings
As At 11 July 2016 (cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name of shareholders	No. of shares held	% of shares
1.	PINJAYA SDN BHD	49,852,722	21.53
2.	UOB KAY HIAN NOMINEES (ASING) SDN BHD *Qualifier: Pledged Securities Account for Greenland Timber Industries Pte Ltd*	24,487,600	10.58
3.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD *Qualifier: Pledged Securities Account for Pinjaya Sdn Bhd*	21,048,700	9.09
4.	UOB KAY HIAN NOMINEES (ASING) SDN BHD *Qualifier : Pledged Securities Account for Citibase Limited*	11,405,100	4.93
5.	MPI GENERALI INSURANS BERHAD	11,194,100	4.83
6.	MAYBAN NOMINEES (TEMPATAN) SDN BHD *Qualifier: Pledged Securities Account for Tang King Hua*	9,164,500	3.96
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier: CIMB for Simansu Sdn Bhd*	8,058,000	3.48
8.	HSBC NOMINEES (ASING) SDN BHD *Qualifier: Exempt an for Credit Suisse (SG BR-TST-ASING)*	6,759,900	2.92
9.	CITIGROUP NOMINEES (ASING) SDN BHD *Qualifier: Exempt an for UBS AG Singapore (Foreign)*	6,000,000	2.59
10.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *Qualifier: Pledged Securities Account for MCC Credit Sdn Bhd (2)*	4,912,900	2.12
11.	MAGNUM BERHAD	3,000,000	1.29
12.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier: CIMB Bank for Tang King Hua*	2,866,300	1.24
13.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *Qualifier: Pledged Securities Account for Chong Yiew On*	2,538,600	1.09
14.	KEY DEVELOPMENT SDN BERHAD	2,390,100	1.03
15.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier: CIMB Bank for Heng Guan Sendirian Berhad*	2,230,500	0.96
16.	IDEA KOSMO SDN BHD	2,067,500	0.89
17.	KAM LOONG MINING SDN BHD	2,003,000	0.87
18.	TAN TOH HUA	1,635,000	0.71
19.	MWE HOLDINGS BERHAD *Qualifier: Share Buy-Back Account*	1,324,000	0.57
20.	MIKDAVID SDN BHD	1,300,000	0.56

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name of shareholders	No. of shares held	% of shares
21.	YEAP LEONG PENG	1,050,000	0.45
22.	UOB KAY HIAN NOMINEES (ASING) SDN BHD *Qualifier : New Kota Credit Sdn Bhd for Trade Key Investments Limited*	1,002,000	0.43
23.	CIMSEC NOMINEES (ASING) SDN BHD *Qualifier: Danaharta Managers Sdn Bhd for Surin Upatkoon*	788,392	0.34
24.	GOLDEN BAY HOLDING SDN BHD	743,000	0.32
25.	NG KWENG THEAM	734,900	0.32
26.	PAULINE TAN SUAT MING HOLDINGS SDN BHD	730,700	0.32
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged Securities Account for ABM Holdings Sdn Bhd*	700,000	0.30
28.	T C HOLDINGS SENDIRIAN BERHAD	700,000	0.30
29.	KHOO SU CHIN	640,000	0.28
30.	TEO KWEE HOCK	563,800	0.24
	Total	181,891,314	78.54

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest No. of Shares	%*	Indirect Interest No. of Shares	%*
Pinjaya Sdn Bhd	70,901,422	30.80	-	-
Greenland Timber Industries Pte Ltd	24,487,600	10.64	-	-
Tan Sri Dato' Surin Upatkoon	786,630	0.34	75,100,939(a)	32.62
Tang King Hua	12,030,800	5.22	2,181,700(b)	0.95

Notes:

* *Excluding a total of 1,324,000 MWE shares bought back by MWE and retained as treasury shares.*

(a) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Pinjaya Sdn Bhd, Casi Management Sdn Bhd and Magnum Berhad.*

(b) *Deemed interested through his spouse and by virtue of Section 6A(4) of the Companies Act, 1965 held through Idea Kosmo Sdn Bhd.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING** of the Company will be held at the Company's Registered Office at No. 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang on Friday, 26 August 2016, at 10.30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 March 2016 and the Reports of the Directors and Auditors thereon. (Please refer to Note A)

2. To re-elect the following Directors who are retiring in accordance with the provision of the Articles of Association of the Company:-

(i)	Mr Tang King Hua	Article 109	(Resolution 1)
(ii)	Dato' Yogesvaran T. Arianayagam	Article 109	(Resolution 2)

3. To approve the payment of Directors' fees of RM354,000.00 in respect of the year ended 31 March 2016 (2014 : RM432,000.00). (Resolution 3)

4. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 4)

5. **As Special Business:**
To consider and, if thought fit, pass the following Ordinary Resolutions:-

CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"**THAT** approval be and is hereby given to Dato' Lawrence Lim Swee Lin, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." (Resolution 5)

CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"**THAT** approval be and is hereby given to Mr Tan Chor Teck, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." (Resolution 6)

RENEWAL OF AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional new ordinary shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 7)

RENEWAL OF THE PROPOSED SHARE BUY-BACK

"**THAT**, subject to compliance with Section 67A of the Companies Act, 1965 and the Listing Requirements of Bursa Securities, the Company be and is hereby authorised to utilise not exceeding the total retained profits and/or share premium account of the Company based on the audited financial statements for the financial year ended 31 March 2016 of RM161,632,795 and RM23,586,099 respectively, to purchase on Bursa Securities up to 23,155,901 ordinary shares of RM1.00 each of the Company which together with the 1,324,000 ordinary shares of RM1.00 each already purchased earlier and retained as treasury shares, represent 10% of the total issued and paid-up share capital of 231,559,015 ordinary shares of RM1.00 each AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to:-

(a) cancel the shares purchased; or
(b) retain the shares purchased as treasury shares for distribution as dividends to the hareholders of the Company and/or resell on the Bursa Securities; or
(c) retain part of the shares purchased as treasury shares and cancel the remainder.

AND THAT such authority shall commence immediately upon passing of this Ordinary Resolution until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required by law to be held, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever is earlier; AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient or to give effect to the proposed share buy-back. (Resolution 8)

6. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

LIM KONG YOW (MIA 4979)
Company Secretary
Penang
29 July 2016

Notes:

A. This Agenda is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 and the Articles of Association of the Company require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to the vote by shareholders.

1. A member of the Company entitled to attend and vote at the Meeting, is entitled to appoint a proxy or two proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A member of the Company who is an authorised nominee as defined under the Central Depositories Act, 1991 may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A proxy need not be a member of the Company.

2. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus it holds.

3. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, must be executed under seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang not less than 48 hours before the time appointed for holding the Meeting.

5. Only Members whose names appear on the Record of Depositors of the Company as at 15 August 2016 shall be eligible to attend the Annual General Meeting.

Notice Of Annual General Meeting
(cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS

Continuation in Office as Independent Non-Executive Directors (Resolution 5 & 6)
The Board of Directors of the Company has assessed the independence of the independent directors namely, Dato' Lawrence Lim Swee Lin and Mr Tan Chor Teck, who have served a cumulative term of more than nine (9) years each as independent directors of the Company. After this assessment, the Board of Directors is satisfied that the two (2) Independent Directors who have served more than nine (9) years each have remained objective and independent in participating in deliberations and decision making of the Board and Board Committees. These two (2) Independent Directors have continuously demonstrated independence in expressing their views and carrying out their role as members of the Board, Audit Committee, Nomination Committee and Remuneration Committee. The Board recommends that shareholders' approval be obtained at this Annual General Meeting of the Company to retain Dato' Lawrence Lim Swee Lin and Mr Tan Chor Teck as Independent Directors of the Company in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting.

Renewal of Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 7)
This is a renewal of the General Mandate for the Directors to issue and allot shares and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Annual General Meeting held on 1 September 2015 and which will lapse at the conclusion of the Annual General Meeting held on 26 August 2016.

The General Mandate sought will provide flexibility to the Company of any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

Renewal of the Proposed Share Buy-Back (Resolution 8)
This resolution, if passed, will empower the Directors of the Company to buy back and/or hold from time to time shares of the Company not exceeding ten percent (10%) of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company at a General Meeting, expire at the next annual general meeting.

The details of the Renewal of the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 29 July 2016 which is despatched together with the Company's 2016 Annual Report.

PERSONAL DATA POLICY
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement Accompanying Notice of Annual General Meeting
(Pursuant to Paragraph 8.27(2) of the Listing Requirements of the Bursa Malaysia Securities Berhad)

No individual is seeking election as Director at this Annual General Meeting of the Company.

MWE HOLDINGS BERHAD (5713-D)
(Incorporated in Malaysia)
**Registered Office : **No. 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang

FORM OF PROXY

CDS Account No.	No. Of Shares
- -	

I/We, ... Tel No : ....
(FULL NAME IN BLOCK CAPITALS)

NRIC No : .... (old) .... (new) / Co. Reg. No ....

of ....
(ADDRESS)

being a member / members of **MWE HOLDINGS BERHAD**, hereby appoint

PROXY A **Name**	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

PROXY B **Name**	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing whom, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Company's Registered Office at No. 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang on Friday, 26 August 2016 at 10.30 a.m. and at any adjournment thereof.

NO.	**RESOLUTIONS**	**First Proxy "A"**		**Second Proxy "B"**	
		FOR	**AGAINST**	**FOR**	**AGAINST**
1.	To re-elect Mr Tang King Hua as Director of the Company				
2.	To re-elect Dato' Yogesvaran T. Arianayagam as Director of the Company				
3.	To approve the payment of Directors' fees				
4.	To re-appoint Messrs Ernst & Young as Auditors of the Company				
5.	To retain Dato' Lawrence Lim Swee Lin as Independent Non-Executive Director of the Company				
6.	To retain Mr Tan Chor Teck as Independent Non-Executive Director of the Company				
7.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965				
8.	To approve the renewal of Proposed Share Buy-Back				

* Please indicate with an "X" in the spaces provided how you wish your votes to be cast. (If you do not do so, the Proxy will vote or abstain from voting at his discretion)

Dated this .... day of .... 2016.

…………………………………… ....
Signature of Witness Signature of Shareholder (s) / Common Seal
Name :

Notes:

1. *A member of the Company entitled to attend and vote at the Meeting, is entitled to appoint a proxy or two proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A member of the Company who is an authorised nominee as defined under the Central Depositories Act, 1991 may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A proxy need not be a member of the Company.*

2. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus it holds.*

3. *The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, must be executed under seal or under the hand of an officer or attorney duly authorised.*

4. *The instrument appointing a proxy must be deposited at the Company's Registered Office at No. 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang not less than 48 hours before the time appointed for holding the Meeting.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary

MWE HOLDINGS BERHAD

No. 846, Jalan Besar

Sungai Bakap, 14200 Sungai Jawi,

Pulau Pinang

1st fold here

MWE HOLDINGS BERHAD (5713-D)
846, JALAN BESAR, SUNGAI BAKAP, 14200 SUNGAI JAWI, PULAU PINANG.
TEL : 604-585 8188   FAX : 604-585 8199