MWE HOLDINGS BERHAD
(5713-D)

Annual Report 2017

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat
(Independent Non-Executive Chairman)

Tang King Hua
(Managing Director)

Lim Kong Yow
(Executive Director)

Krian Upatkoon
(Executive Director)

Tan Sri Dato' Surin Upatkoon
(Non-Independent Non-Executive Director)

Dato' Lawrence Lim Swee Lin
(Independent Non-Executive Director)

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

Tan Chor Teck
(Independent Non-Executive Director)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Tan Chor Teck *(Chairman)*
Tan Sri Dato' Surin Upatkoon
Dato' Yogesvaran a/l T. Arianayagam

NOMINATION COMMITTEE

Tan Chor Teck *(Chairman)*
Tan Sri Dato' Surin Upatkoon
Dato' Yogesvaran a/l T. Arianayagam

SECRETARY

Lim Kong Yow (MIA 4979)

REGISTERED OFFICE

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

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

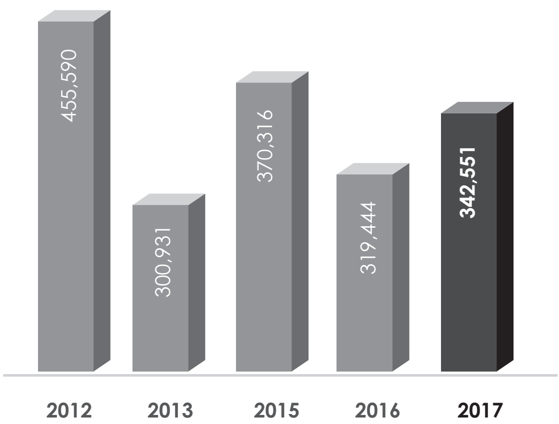
WEBSITE

www.mweh.com.my

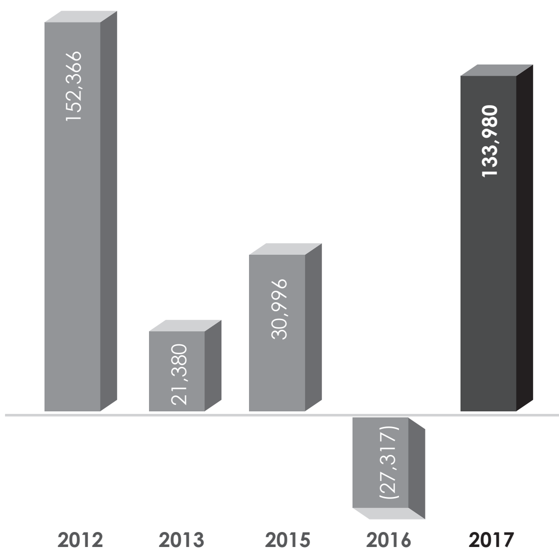
GROUP FINANCIAL HIGHLIGHTS

	YEAR ENDED 31 MARCH 2017 (RM'000)	2016 (RM'000)	15 MONTH PERIOD ENDED 31 MARCH 2015 (RM'000)	YEAR ENDED 31 DECEMBER 2013 (RM'000)	2012 (RM'000)
Revenue	342,551	319,444	370,316	300,931	455,590
Profit/(Loss) Before Tax	133,980	(27,317)	30,996	21,380	152,366
Paid-up Capital	255,145	231,559	231,559	231,559	231,559
Shareholders' Funds	678,487	560,100	626,763	628,341	597,452
Total Assets	927,614	831,170	910,829	839,908	794,423
Net Assets per share (sen)	295	243	272	273	259
Earnings per share (sen)	58	(15)	10	6	61
Net Dividend per share (sen)	2	2	2	2	15

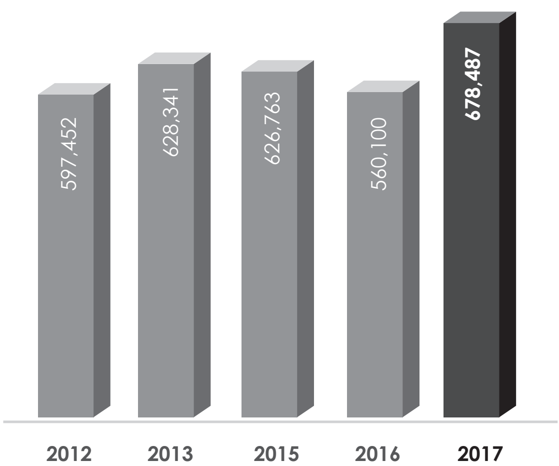
REVENUE
(RM'000)



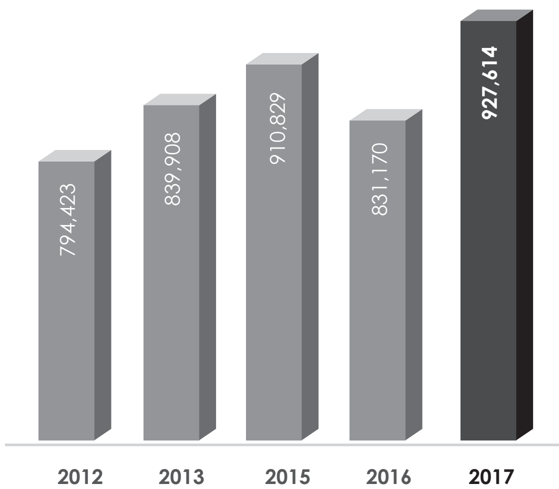
PROFIT/(LOSS) BEFORE TAX
(RM'000)



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% WCE Holdings 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, it gives me great pleasure to present the Annual Report and audited financial Statements of the Group and the Company for the financial year ended 31 March 2017 ("FY2017").

GROUP'S RESULTS

Amidst the uncertainty and challenging local and global economic environment, the Group continued to deliver commendable results for FY2017.

For the financial year under review, the Group's revenue increased 7% from RM319.4 million to RM342.6 million, translating into an increase of RM23.2 million. The increase in revenue was mainly derived from our Textile Division which remains the largest contributor in our Group in terms of revenue.

The Group managed to turn around its loss before tax of RM27.3 million for the financial year ended 31 March 2016 ("FY2016") to profit before tax of RM134.0 million for FY2017, owing to impairment write back for investment in associates as well as gain on disposal of US investment.

The financial position of the Group remains strong, total borrowings of the Group were reduced from RM203.8 million to RM170.9 million as of 31 March 2017, resulting in an improved gearing ratio to 14% for FY2017 from 22% in the previous year.

Further analysis of the Group's performance is provided under the new section of Management Discussion and Analysis Statement.

DIVIDEND

For FY2017, the Company declared an interim dividend of 2% single tier (FY2016: 2% single tier). The said interim dividend of 2.0 sen per ordinary share for FY2017 amounting to RM4.6 million was paid to shareholders on 29 June 2017.

The Board of Directors does not recommend any final dividend in respect of the current financial year.

APPRECIATION

On behalf of the Board of Directors, I would like to convey my sincere appreciation to all our valued shareholders, clients, business associates, consultants, advisors, suppliers, bankers, regulatory authorities and the government agencies for their continuing support and confidence.

I would also like to express my heartfelt gratitude to our Board members for their valuable guidance and unwavering support throughout the year.

Last but not least, I wish to thank all the management and staff for their unrelenting commitment and dedication to the Group.

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

3 July 2017

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

DESCRIPTION OF OUR GROUP'S BUSINESSES

MWE Holdings Berhad ("MWE" or "the Company" or "our Company") was founded on 2 December 1964 under the name of Malaysia Weaving Printing Dyeing Factory Limited and was listed on the Main Market of Bursa Malaysia Securities Berhad on 27 June 1974. The principal activity of MWE is investment holding while its subsidiaries are involved in:-

- manufacturing and sale of garments
- design, manufacturing and distribution of telecommunication products
- developing & leasing out residential and commercial properties as well as property management services
- importing & distribution of Dongfeng heavy commercial trucks, manage & operate oil palm plantation in Kelantan, management of a golf course in Shah Alam and corporate services

The manufacturing and sale of garments remains as the Group's core business, accounting for more than 72% of the Group's revenue for the financial year ended 31 March 2017 ("FY2017"). The Textile Division has established itself as a reliable and reputable manufacturer of garments for renowned international brands such as Nike, Lacoste, Oshkosh, Carter's, Under Amour, Ruffwear, Izod, Mission and more.

Telecommunications Division provides Original Design Manufacturer ("ODM"), Original Equipment Manufacturer ("OEM") and Electronic Manufacturing Services ("EMS") for wireless electronics and telecommunication products such as pagers, telemetry devices, 2G/3G/LTE, BLE/WiFi enabled IOT ("Internet of Things") sensors and wearable devices, medical devices, GPS tracking devices as well as PCBAs ("Printed Circuit Board Assembly") for all types of electronic products.

KEY PERFORMANCE INDICATORS

	FY2017 RM'million	FY2016 RM'million	+/- Change
Financial Results:			
Revenue	342.6	319.4	+7%
Profit/(Loss) Before Tax	134.0	(27.3)	+591%
Profit/(Loss) for the year	133.7	(36.7)	+464%
Financial Ratios:			
Net Assets per share (Sen)	294.7	243.3	+21%
Earnings per share (Sen)	57.8	(15.3)	+478%
Dividend per share (Sen)	2.0	2.0	-

FINANCIAL PERFORMANCE

For FY2017, the Group closed the year with profit before tax of RM134.0 million as compared to loss before tax of RM27.3 million in the previous year. The favourable results were mainly due to impairment write back for investment in associates totalling RM57.3 million as well as a significant gain of RM45.2 million in disposal of US investment.

With comparison to last financial year ended 31 March 2016 ("FY2016"), the Group has shown commendable growth in revenue and saw a 7% rise for the financial year under review. The Group's total revenue for FY2017 was RM342.6 million versus RM319.4 million for FY2016.

The favourable results were mainly driven by our two major divisions, namely, Textile Division and Telecommunications Division. Our core Textile Division's revenue increased to RM249.5 million, which was 14% higher than the previous financial year (FY2016: RM218.3 million) whereas the Telecommunications Division reported revenue of RM47.3 million (FY2016: RM55.4 million).

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT
(Cont'd)

The improved profit performance translated into a return-on-equity of 20% and a return-on-asset of 14%. The earnings per share for FY2017 were 57.8 sen against loss per share of 15.3 sen previously.

At the Company level, it recorded profit before tax of RM111.3 million as compared to loss before tax of RM26.3 milion in the previous financial year. The positive results were mainly attributed to impairment write-back for investment in its associate, WCE Holdings Berhad ("WCE") reflecting WCE's higher share price as at 31 March 2017 as compared to the Company's average holding cost and gain on disposal of US investment.

LIQUIDITY AND FINANCIAL POSITION

During the period under review, the Group financed its operations by internally generated cashflows together with banking facilities and term loans provided by its bankers. The Group continues to maintain a prudent approach in managing its financial requirements.

As at 31 March 2017, cash and bank balances of the Group were approximately RM125.0 million (FY2016: RM100.5 million) after payment of finance cost of RM11.6 million and the cash receipts of RM45.2 million in disposal of US investment and disposal proceeds of RM12.8 million of Kulim factory.

During the year, the Group invested approximately RM22.5 million in property, plant and equipment in its operating subsidiaries.

The Group's net assets as of FY2017 were RM693.3 million (FY2016: RM572.9 million). The Group's short-term borrowings were reduced by RM28.7 million while RM4.1 million of long-term borrowings were repaid during the financial year.

REVIEW OF SEGMENTAL BUSINESS OPERATIONS

Textile Division

Garments in casual, sports, knit wear and outerwear via United Sweethearts Garment Sdn Bhd and United Sweethearts Garment (Vietnam) Co., Ltd. continue to be the principal products of the division which had a total combined revenue of RM249.5 million for FY2017 (FY2016: RM218.3 million).

The turnover derived from our garment business recorded a significant increase as a result of favourable foreign exchange differences, higher garment revenue as well as a well-performing new product line with higher average selling prices.

Despite the increase in revenue, its profit before tax was reported lower, at RM26.9 million (FY2016: RM27.0 million) which was due to the increase in labour costs and effects of the revision in Minimum Wages in Malaysia and Vietnam.

In order to minimise the impact of high manufacturing costs as well as to optimise the garment operations, the division will intensify its pursuits for LEAN manufacturing, automation and machinery upgrades, tightening and control on raw materials consumption and vigilance on cost saving. The combination of the right strategies together with the completion of Vietnam's phase 3 factory expansion project in April 2017 is expected to contribute positively in increasing the production capacity and hence profitability in the near future.

The uncertainties in developed countries' economies, fast changing of fashion industry in term of choice and trend, consumer spending, currency fluctuations and cost inflationary pressure have traditionally affected the garment sector. Any combination of these factors or continuing adverse economic conditions may adversely affect the division's financial position and potential income. Nonetheless, weakening of Ringgit Malaysia and Vietnam Dong against US Dollar has helped the division on a whole to improve its bottom line and profit margins. Bearing this in mind, the division will maintain vigilance in managing currency risks and stringent cost control in the coming year.

As we head into the new financial year of 2018 ("FY2018"), the Management will continue to actively expand new product lines with existing customers and source for new buyers to stabilise the capacity loading in both Malaysia and Vietnam factories.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT
(Cont'd)

Telecommunications Division

During the year, Telecommunications Division posted revenue of RM47.3 million, RM8.1 million lower than previous year (FY2016: RM55.4 million). Revenue dropped by 15% primarily due to slowdown in orders from ODM business. However, its profit before tax rose slightly to RM2.8 million from RM2.5 million in FY2016. The increase in profit before tax was due to influx of new product development orders in Q3 and Q4 FY2017 together with lower materials costs.

The ODM business posted mixed results in FY2017. Its MobileHelp orders recovered during FY2017 without any cancellations or pushouts in productions. Sales forecast looks promising for the coming FY2018 as we see an increase in orders for both manufacturing and new development projects.

The IOT project for ski resorts in US was put on hold temporarily due to technical issues from their customer whereas IOT products from Hill-Rom and Mann++ Hummel are in the final stages of development and production is expected to start in fiscal year of FY2018.

The OEM business continued to be relatively stable throughout FY2017. Pagers manufacturing is still the main contributor in revenue and the most profitable business in OEM. The new 2-way pager shipment had been shipped and the division foresees that this product will be well received in the emergency, security, tracking and recovery services industry. On the other hand, the new digital goniometer product experienced slow sales due to the product being relative new in the medical industry. The division will continue to establish its sales channels throughout the globe and it is now in the stage of finalising distributorship agreements with several established medical suppliers in US, Australia, New Zealand and Canada.

The EMS business continues to be lacklustre. The Pro-Tracker project did not take-off as expected due to complications from the customer while the Toshiba PCBA was withdrawn during the negotiation stage. Meanwhile, other projects such as the Keysight project will proceed accordingly as we continue to attend to customers' needs and compete strategically in this field.

The construction of the new factory in Penang Science Park which was financed by a combination of bank borrowings and internally generated funds, has been fully completed and its operations were commenced in Q1 FY2018. With the facility and expanded capacity, the division will actively invest in technological development with the aim to expand its products and engineering services to its customers. In consequence thereto, the paid-up capital of the Malaysian subsidiary company has been increased by RM4.0 million to RM10.0 million with an additional investment of RM1.0 million to cater for new factory equipment and machineries.

The Singapore Office is now ISO-9001 certified in addition to its existing ISO13485 certification. The engineering team staff force has also been increased by 25% to cater for the influx of new product development projects secured in FY2017.

The division's prospect and outlook for FY2018 remain cautiously optimistic. The division is still heavily reliant on MobileHelp devices as the main revenue of the division. Forecasts of which remain strong and sustainable for FY2018. Going forward, the division will continue to look for more customers and at the same time, invest into acquiring new technological expertise and capabilities so as to offer a wider range of technical and engineering services across different industry segments.

Properties Division

For FY2017, the Properties Division reported total revenue of RM5.7 million (FY2016: RM4.5 million). Despite the increase in revenue, it registered a loss before tax of RM1.0 million as compared to profit before tax of RM1.9 million in the previous year. The loss before tax for current financial year was mainly due to fair value changes in investment properties.

During the year, MWE Plaza and Axis Complex in Penang maintained its occupancy rate of 92% and 49% respectively which generated a total of RM4.3 million rental income.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT
(Cont'd)

Other Divisions

1) Industrial Division

Dongfeng Commercial Vehicle (Malaysia) Sdn Bhd ("DCV") is involved in the importing & distribution of Dongfeng heavy commercial vehicles, providing after-sales and other ancillary services.

For FY2017, revenue from sale of commercial vehicle trucks reduced by 12% to RM14.5 million from RM16.6 million in FY2016. The lower sales revenue was mainly due to weak consumer sentiment and increasing competitors from other China made. However, its revenue from after-sales service registered an increase of 7% to RM2.9 million from RM2.7 million in the previous corresponding year.

For the financial year under review, DCV registered loss before tax of RM0.9 million (FY2016: RM4.4 million) on the back of revenue of RM17.4 million (FY2016: RM19.2 million). Loss before tax in FY2016 was mainly due to impairment of slow moving stocks as well as unfavourable exchange losses.

DCV is hopeful that FY2018 will turnaround with positive contribution, given the groundwork that had been laid in the past years which includes efforts to minimise impact of currency exchange volatility, better after-sales services and introduction of new models with better specifications.

2) Plantation Division

Our small-scale oil palm plantation consists of 5,000 acres of land (planted area: 4,604 acres) is located in Gua Musang, Kelantan and is operated under the name of Fauzi-Lim Plantation Sdn Bhd.

The division managed to reduce its loss before tax from RM2.0 million in FY2016 to RM0.1 million for FY2017 due mainly to higher Fresh Fruits Bunches ("FFB") yield crop as well as favourable FFB prices.

The oil palm plantation business will largely be dependent on price volatility of CPO, nevertheless, with tight control over costs, productivity improvement measures and sufficient manpower, we expect the performance of the division to be satisfactory in FY2018.

3) Leisure Division

The Leisure Division via our Monterez Golf & Country Club ("MGCC") recorded marginal decrease in revenue of RM6.2 million for FY2017 against RM6.3 million registered in FY2016. This was mainly due to lower golfing activities by members, bad weather conditions and weak consumer spending.

For the year under review, MGCC recorded a loss before tax of RM0.1 million as compared to profit before tax of RM0.2 million in the previous year.

SHARE OF ASSOCIATES' RESULTS

For FY2017, the Group reported RM9.2 million share of profit in associates, mainly contributed by WCE.

WCE's West Coast Expressway project involves in the development of 233 km toll highway from Banting to Taiping (including 40 km of highway to be constructed later). The project is a build-operate-transfer project with a concession period of up to a maximum of sixty (60) years. The total project cost is approximately RM5.9 billion and revenue from toll collections from certain sections is expected to commence in late 2018.

WCE is also participating in the construction of West Coast Expressway with its IJMC-WCEHB Joint Venture being appointed as the Turnkey/Engineering and Procurement Contractor for the West Coast Expressway project.

We are pleased to note that Bandar Rimbayu project, a premier township development in Kota Kemuning, an associate of WCE is expected to record reasonable performance in FY2018 on the back of unbilled sales and satisfactory response to its recent sales launches.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT
(Cont'd)

CORPORATE DEVELOPMENT

In line with the Group's strategy to dispose off its non-core businesses and loss-making companies, the following disposals for a total consideration of RM70.1 million via the respective agreements were entered on 5 May 2016 :-

1) Land Sale and Purchase Agreement entered between Melati Mewah Sdn Bhd ("MM") and Pristine Primavera Sdn Bhd ("PP") for the disposal of its nine (9) pieces of leasehold lands, all located in the Mukim of Raja, District of Petaling, Selangor Darul Ehsan; and
2) Share Sale and Purchase Agreement between MWE and Saujana Setara Sdn Bhd ("SS") for the disposal of its entire shareholding of 25,000,000 ordinary shares in MWE Golf & Country Club Berhad.

Subsequently, with the Group's objective to enhance the potential returns of MM (being the land owner) as well as to unlock and maximise the value of its lands, the above said disposals were re-negotiated and both parties, namely, MM and PP had decided to undertake a Proposed Joint Development to jointly develop the abovementioned nine (9) pieces of freehold lands into a mixed use development comprising residential and commercial properties by entering into a Joint Development Agreement ("JDA") on 30 November 2016.

The JDA was entered with mutual agreement and benefits to be enjoyed by both parties and further, based on the terms of the JDA, MM is guaranteed a Minimum Owners' Entitlement of RM180.0 million for cash collected from the sales of residential and commercial properties throughout the entire 10-year period instead of an outright sale of RM70.1 million.

The Proposed Joint Development tabled at the Extraordinary General Meeting on 23 May 2017 was duly passed by the shareholders of the Company.

CHANGES OF GROUP STRUCTURE

During the year, First Cosmopolitan Sdn Bhd, a wholly-owned subsidiary of MWE, transferred its wholly-owned subsidiary, Devanna Limited, a British Virgin Islands company to MWE for a consideration of RM4.0 million whereas another wholly-owned subsidiary of MWE, MWE Weaving Mills Sdn Bhd was wound up by way of Members' Voluntary Winding-Up.

In FY2017, our Company purchased additional 6,000,000 shares in WCE, an associate of our Company for a total consideration of RM5.4 million. In consequence thereto, our Company's shareholding in WCE is now increased to 25.6% from 25.0% previously.

PROSPECTS AND RISK FOR 2018

The macroeconomic events in recent years have presented unprecedented challenges to the various industries that the Group operates in. Looking forward to the financial year ending 31 March 2018, despite continued uncertainties from major advanced economies such as the unresolved Eurozone debt crisis, impact from Brexit and US fiscal constraints, we believe that the critical position of the textile industry in the national economy as a traditional pillar and consumer necessities industry will remain unchanged.

The West Coast Expressway project undertaken by our associate, WCE is progressing well and it is expected to contribute positively to its revenue and earnings. Besides that, WCE also has a sharing profit from its Bandar Rimbayu project vide its associate company.

With the additional new factories in Vietnam and Penang coupled with intensified marketing efforts to expand customer base, the Group expects its 2 major divisions' performance to further improve in the next financial year.

The Group will continue to integrate internal and external resources to enhance its competitive edge in domestic and international markets, while proactively seeking and to explore new business opportunities so as to create new growth driver for the Group.

The Group will also exert more efforts to innovate management approaches, reducing costs and enhancing efficiency so as to increase our intrinsic value and create sustainable returns for our shareholders.

Barring unforeseen circumstances, we remain confident that the Group is well position to maintain a satisfactory operating performance for the forthcoming year ending 31 March 2018.

DIRECTORS' PROFILE

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

Tan Sri Aseh, a Malaysian, aged 66, 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 and 2016, Tan Sri Aseh received his PhD in International Relations from the Lim Kok Wing University of Creative Technology, Cyberjaya and PhD in Management from Infrastructure University, Kuala Lumpur respectively.

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 seven 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 and an independent non-executive Chairman of British American Tobacco (Malaysia) Berhad.

Tan Sri Aseh does not hold any shares in MWE or its subsidiaries. Tan Sri Aseh does not have any family relationship with any director and/or substantial shareholder of MWE or any conflict of interest with MWE. He has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

TAN SRI DATO' SURIN UPATKOON
P.S.M., D.S.P.N., D.M.P.N.
(Non-Independent Non-Executive Director)

Tan Sri Surin, a Thai national, aged 68, was appointed to the Board of MWE Holdings Berhad ("MWE") on 29 July 1976.

Tan Sri Surin is currently the 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. He also sits on the boards of several private limited companies in Malaysia.

Tan Sri Surin does hold substantial shareholding in MWE. Details of his shareholdings are set out in the Directors' Report for the year ended 31 March 2017. He is deemed to have interest in the shares in all the subsidiaries to the extent that MWE has an interest.

Tan Sri Surin is the father of Mr Krian Upatkoon, an Executive Director of MWE. He has no conflict of interest with MWE.

DIRECTORS' PROFILE
(Cont'd)

TANG KING HUA
(Managing Director)

Mr Tang, a Malaysian, aged 59, 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 WCE Holdings 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 2017.

He has no family relationship with any other director and/or substantial shareholder of MWE. He has no conflict of interest with MWE and has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

LIM KONG YOW
(Executive Director)

Mr Lim, a Malaysian, aged 62, 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 twenty 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 two 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 not hold any shares in the subsidiaries of MWE, has no family relationship with any other director and/or substantial shareholder of MWE. He has no conflict of interest with MWE and has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

However, 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 2017.

DIRECTORS' PROFILE
(Cont'd)

KRIAN UPATKOON
(Executive Director)

Mr Krian, a Thai national, aged 38, 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 also sits on the board of Multi-Purpose Capital Holdings Berhad, a public company and several private limited companies in Malaysia.

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

He is the son of Tan Sri Dato' Surin Upatkoon, a non-independent and non-executive director and a major shareholder of MWE; he does not have any conflict of interest with MWE. He has no convictions for offence within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

DATO' LAWRENCE LIM SWEE LIN, *D.I.M.P.*
(Independent Non-Executive Director)

Dato' Lim, a Malaysian, aged 60, 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.

Dato' Lim, currently is the Executive Director of Magnum Berhad, Magnum 4D Berhad and the Chief Executive Officer of Magnum Corporation Sdn Bhd. He also sits on the board of Malaysian South-South Corporation Berhad. 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 is an Executive Committee (EXCO) member and Chairman of Asia Pacific Lottery Association (APLA). He also sits in the World Lottery Association Executive Committee representing APLA.

Dato' Lim does not hold any shares in the subsidiaries of MWE, has no family relationship with any other director and/or substantial shareholder of MWE. He has no conflict of interest with MWE and has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

However, Dato' 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 2017.

DIRECTORS' PROFILE
(Cont'd)

DATO' YOGESVARAN T. ARIANAYAGAM, *D.I.M.P.*
(Independent Non-Executive Director)

Dato' Yogesvaran, a 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. He has no family relationship with any other director and/or substantial shareholder of MWE; neither does he has any conflict of interest with MWE. He has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

TAN CHOR TECK
(Independent Non-Executive Director)

Mr Tan, a Malaysian, aged 55, 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 not hold any shares in the subsidiaries of MWE, has no family relationship with any other director and/or substantial shareholder of MWE. He has no conflict of interest with MWE and has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

However, 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 2017.

KEY SENIOR MANAGEMENT'S PROFILE

TANG CHONG CHIN
(Managing Director of United Sweethearts Garment Sdn Bhd)

Mr Tang, a Malaysian, aged 50, joined United Sweethearts Garment Sdn Bhd ("USG") as a Division General Manager in November 2005 and was subsequently promoted through the ranks to his current position in July 2009.

Mr Tang obtained his Bachelor of Economics (Honours) Degree major in Business Administration from University of Malaya in 1991 and also obtained his Master in Business Administration (MBA) degree from Heriot-Watt University, United Kingdom in 2006.

After graduated in 1991, Mr Tang first joined MWE Spinning Mills Sdn Bhd as Executive Officer and had been working in various departments and companies within MWE Textile Division and gained quite a substantial experience on operation field works. In 1993, he widened his international exposure while working with International Food Processing Industry, Dong Nai Province, Vietnam as Manager, in the field of canned drinks, frozen seafood and biscuits manufacturing. Thereafter in 1994, he was the pioneer in Shuan Shin Bulky Bags (M) Sdn Bhd, which involved in PP woven bulky bags manufacturing and marketing in Malaysia. In May 1996, Mr Tang re-joined MWE Textile Division as its Assistant General Manager and subsequently promoted to Division General Manager. He is responsible to oversee the entire business and operation of yarn, knitted fabric and apparel. With his stewardships, has resulted the Textile Division to divest and harvest from its spinning and knitted fabric section to focus on apparel production in Malaysia and overseas plant since year 2005.

With his vast experience in the textile industries, Mr Tang holds various positions such as President in Malaysian Knitting Manufacturers Association (MKMA), Executive Committee in Malaysian Textile Manufacturers Association (MTMA), Malaysian Textile and Apparel Center (MATEC) and as the Advisor to Penang Billiards & Snooker Association. He is actively engaged in dealing with government ministries/agencies such as Ministry of International Trade and Industry (MITI), Malaysian Investment Development Authority (MIDA), Royal Custom Department, National Wage Consultative Council and etc.

Mr Tang does not hold any shares in MWE or its subsidiaries. He has no conflict of interest with MWE and has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

LIEW KEE KEONG
(Managing Director of Daviscomms (S) Pte Ltd)

Mr Liew, a Singaporean, aged 61, joined Daviscomms (S) Pte Ltd ("DVS") as a Managing Director in April 2000.

Mr Liew graduated with a Diploma in Mechanical Engineering from Singapore Polytechnic in 1975.

Prior to joining DVS, Mr Liew was a Mechanical Designer working in Philips (1978) and subsequently rose to become a Director of Paging Business in Motorola (2000). Mr Liew has more than thirty (30) years of experience in the product development, sixteen (16) years of experience in sales and business management related to the Telecommunications Industry.

As at 31 March 2017, Mr Liew has a direct shareholding of 90,227 ordinary shares representing 5.30% equity interest in DVS. He does not hold any shares in MWE Holdings Berhad ("MWE"). He has no conflict of interest with MWE and has no convictions for offences within the past five years and there was no public sanction or penalty imposed on him by the regulatory bodies during the financial year.

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. With this, trainings were extended by the Group to staff during the year as follows:

1. Seminars on Goods & Service Tax;
2. Effective stress, time & anger management training;
3. Handling hazardous situations by effectively identifying, assessing the risk occur and controlling the risks;
4. Strategic approach to risk-based thinking training;
5. Enhancement skills on computer powerpoint presentations;
6. Practical Environmental aspect determination; and
7. Moving forward in robotic operations and programming.

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 dinners 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 emphasized 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 2017.

COMMUNITY

The Group continues to play active role being 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, The House of Hope and the Children's Protection Society, Pusat Harian Kanak-kanak Spastik, Society for the Severely Mentally Handicapped, orphanage home like Reach Segamat, Ray of Hope and uniforms to poor school student at Bukit Mertajam Charity Ride Event; and

ii) Various types of sponsorships extended to Persatuan Pencinta Prihatin, Raising Funds Concert for Jit Sin High School Philharmonic Orchestra, sponsor for fund raising for new fire engine for Persatuan Bomba Sukarela Kota Permai, Bukit Mertajam.

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.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT
(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

Since April 2013, 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 main objective of the Company's Board Charter is to set out the roles and responsibilities of the Board of Directors. 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 Board Charter was last reviewed on 3 July 2017.

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.

3. Roles and Responsibilities of the Board members

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 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 Directors 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 roles and responsibilities of the Board members can be looked upon in the Board Charter of the Company at the Company's website, www.mweh.com.my.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

The Non-Executive Directors play the key supporting role in contributing their knowledge and experience in the decision making process and towards the formulation of the Company's goal and policies.

The Independent Directors are independent of management and free from any business or other relationship that could interfere with the exercise of their independent judgement. 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.

The Board 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 directors. 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.

4. Clear Functions for the Board and Management

The Board has a schedule of matters reserved specifically for its decision which includes the approval of corporate and business continuity plans, annual budgets, acquisitions and disposal of assets that are material to the Group, major investments, declaration of dividends, changes to management and control structure of the Group, including key policies, procedures and authority limits.

Authority chart spells out the approving limits and the types of authority delegated by the Board to the Senior Management, headed by the Managing Director and Executive Directors who are responsible for the implementation of Board's policies and decisions.

5. 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. The Board through its Nomination Committee has taken various steps to ensure that women candidates are sought from various sources including professional bodies as part of its recruitment exercise. Nonetheless, the Group practices equal opportunity, and all appointment and employment are based on merits. 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.

6. 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.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

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 2017 as follows:

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

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.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

7. 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 Directors 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.

8. 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.

The Board is 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 12 to 15 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

9. 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.

10. 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.

In accordance with the Company's Constitution, 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 Company's Constitution 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. 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) Tan Sri Dato' Surin Upatkoon, retiring pursuant to Article 109 of the Constitution of the Company; and

(b) Dato' Lawrence Lim Swee Lin, retiring pursuant to Article 109 of the Constitution of the Company.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

11. 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 2017, all the directors have attended the training programme:

Director		Topic
Tan Sri Dato' Seri (Dr) Aseh bin Hj Che Mat	-	Sustainability: Perspective, Benefits and Reporting Imperative.
Tan Sri Dato' Surin Upatkoon	-	Briefing by Messrs Ernst & Young ("EY") on "The New Auditors" Report – Implementing the New and Revised International Standards on Auditing".
	-	Financial Institutions Directors' Education ("FIDE") Core Programme (Insurance – Module A).
Tang King Hua	-	Sustainability: Perspective, Benefits and Reporting Imperative.
Lim Kong Yow	-	Sustainability: Perspective, Benefits and Reporting Imperative.
Krian Upatkoon	-	Sustainability: Perspective, Benefits and Reporting Imperative.
Dato' Lawrence Lim Swee Lin	-	Sustainability: Perspective, Benefits and Reporting Imperative.
Dato' Yogesvaran T. Arianayagam	-	Sustainability: Perspective, Benefits and Reporting Imperative.
Tan Chor Teck	-	Sustainability: Perspective, Benefits and Reporting Imperative.

12. 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.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

The aggregate remuneration of the Directors for the financial year ended 31 March 2017, are categorised into the following components:-

	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Company			
Directors' Fees	-	310,000	310,000
Salaries	-	-	-
Bonuses and other emoluments	-	-	-
Benefits in Kind based on estimated money value	-	-	-
Compensation of loss of office	-	-	-
Allowance	10,000	25,000	35,000
SUB-TOTAL	10,000	335,000	345,000
Subsidiaries			
Directors' Fees	180,522	-	180,522
Salaries	1,584,000	-	1,584,000
Bonuses and other emoluments	607,234	-	607,234
Benefits in Kind based on estimated money value	-	-	-
Compensation of loss of office	-	-	-
Allowance	-	-	-
TOTAL - GROUP	2,381,756	335,000	2,716,756

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

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Below 50,000	1	-
50,001 - 100,000	-	5
700,001 – 750,000	1	-
1,650,001 – 1,700,000	1	-

COMPANY SECRETARY

The Company Secretary is a member of the Malaysian Institute of Accountants and he is qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.

The Company Secretary plays an advisory role to the Board with regards to the Company's Constitution, Board policies and procedures, corporate governance issues and directors' responsibilities in complying with regulatory requirements, codes and guidance.

During the year, the Company Secretary has attended the relevant continuous professional development programmes to keep himself abreast with the changes in the statutory and regulatory requirements. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of his duties and responsibilities.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

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.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

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 36 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 ("CEC")

The CEC was adopted on 26 April 2013. 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 CEC 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. The details of the CEC is made available for reference in the Company's website at www.mweh.com.my as Appendix A to the Board Charter.

CORPORATE GOVERNANCE STATEMENT
(Cont'd)

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 3 July 2017.

ADDITIONAL CORPORATE DISCLOSURES

Share Buybacks

As at 31 March 2017, 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 2017.

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 2017, 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 2017, there were no profit guarantees given by the Company.

Material Contracts involving Directors/Substantial Shareholders' interests

During the financial year ended 31 March 2017, 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 2017, 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, 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards ("FRSs"), 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 2017, 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 ("AC") 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 AC 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 AC has never been more challenging.

During the financial year, the AC 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 AC 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 AC 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 AC 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;

AUDIT COMMITTEE REPORT
(Cont'd)

- 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 2017 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

AUDIT COMMITTEE REPORT
(Cont'd)

SUMMARY OF ACTIVITIES

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

1. **Financial Reporting**

- Reviewed and discussed the unaudited quarterly financial results with the Management and recommended the same for the Board's consideration and approval before release to Bursa Malaysia Securities Berhad and the Securities Commission within the stipulated period. The review covers the Group's investment, the adequacy of disclosures and the appropriateness of the accounting policies applied.

- Reviewed and discussed the annual audited financial statements of the Group with the external auditors, Messrs Ernst & Young and the Management focusing on the following:-

  - Significant financial reporting issues;
  - Any change in accounting policies and practices;
  - Going concern assumption; and
  - Compliance with accounting standards and other legal requirements.

The AC members had discussed the key matters raised by the external auditors with the Management and the disclosure thereof in the Auditors' report for the financial year ended 31 March 2017 for the MWE Group.

Having satisfied that the financial statements and reports complied with the relevant accounting standards and other applicable laws and regulations, the AC recommended the same to the Board for consideration and approval.

2. **External Audit**

- Discussed and reviewed the Audit Planning Memorandum with the external auditors, which outlines the scope, methodology and timeline for completion on the audit, area of focus, fraud considerations and the non-audit services, updates on Financial Reporting Standards in Malaysia for the financial year ended 31 March 2017.

- Convened separate meetings with the external auditors without the presence of Executive Directors and Management, to discuss issues arising from the final results, or any other matters the auditors may wish to discuss including any difficulties encountered in the course of audit work and any restrictions on the scope of activities or access to required information. There were no areas of concern raised by the external auditors that needed to be escalated to the Board. The AC members met twice during the year with the External Auditors, i.e. 29 June 2016 and 22 February 2017.

- Reviewed the performance of the external auditors including the assessment of their independence, objectivity and effectiveness, having regard to the several factors including the qualification, experience and knowledge of the engagement partner and audit staff, the resources of the audit firm, their quality control processes and the non-audit services.

  Based on the results of the evaluation, the Audit Committee is of the view that the provision of non-audit services by the external auditors did not impair the objectivity, judgment and independence of the external auditors. The AC is satisfied with the external auditors' technical competency, audit independence and performance and, accordingly had recommended the re-appointment of the external auditors for the ensuing financial year ending 31 March 2018.

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.

- Reviewed the Audit Committee Report and the Statement of Risk Management and Internal Control and, recommend to the Board for approval prior to their inclusion into the annual report 2017.

4. Related Party Transactions

Reviewed related party transactions that arose within the Company and the Group and to ensure that the transactions, which are necessary for the day-to-day operations of the MWE Group, were made:-

- in the ordinary course of business;
- at arm's length; and
- on normal commercial terms (which are generally available to the public) or on terms and conditions negotiated between the MWE Group and the related parties, in either case, these transactions are not to the detriment to the Company's minority shareholders.

The AC took note that there were no conflict of interest situation for operational matters as reported in the recurrent related party transactions of the MWE Group by the Management at the AC meetings.

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 AC, 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 2017 was RM25,000/-.

This Report was approved by the Board on 3 July 2017.

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.

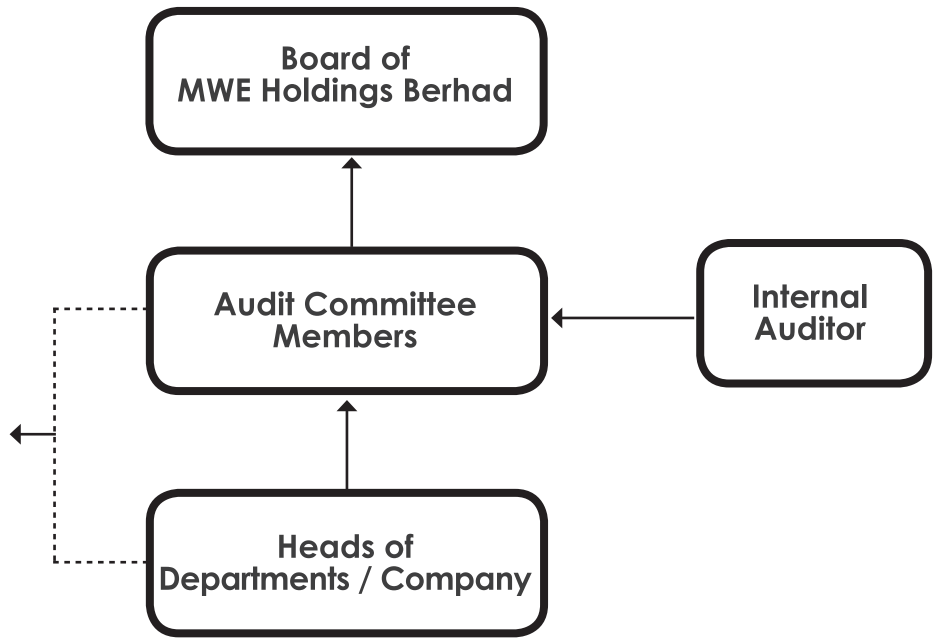
Board Responsibility

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 ("GMD") or the Chief Financial Controller ("CFC"). For better illustration on the risk management processes, appended below the Risk Governance Structure best suited the Group:



Assisted by the CFC / GMD
who will co-ordinate
the risk management activities

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

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. During the year under review, there were no major risk activities faced by the group which require Audit Committee and Board members' attention other than the Joint Development Agreement entered into by the Company's indirect wholly-owned subsidiary, Melati Mewah Sdn Bhd with Pristine Primavera Sdn Bhd on 30 November 2016 for the purpose of developing the nine (9) pieces of leasehold lands, all situated in Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan into a mixed use development comprising residential and commercial properties ("Proposed Joint Development") for the total projected gross development value of approximately RM1.5 billion to RM1.645 billion. In view of its substantial value, the Company had sent out a Circular dated 8 May 2017 to the shareholders with the purpose of seeking their approval. An Extraordinary General Meeting ("EGM") is held on 23 May 2017 and the Proposed Joint Development was approved by the shareholders whom attended the said EGM.

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.

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

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 internal audit plan approved by the Audit Committee. The areas reviewed during the financial year were as follows:

- Sales and Marketing Process of Dongfeng Commercial Vehicle (Malaysia) Sdn Bhd
- Spare Parts Management Process of Dongfeng Commercial Vehicle (Malaysia) 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 2016 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), 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 2017, 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) 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.

This Statement was approved by the Board on 3 July 2017.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

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

Principal activities

The principal activity of the Company is investment holding. Corporate information is disclosed in Note 1 to the financial statements.

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

Results

	Group RM	Company RM
Profit net of tax	133,724,122	111,242,599
Profit attributable to:		
Owners of the parent	132,890,431	111,242,599
Non-controlling interests	833,691	-
	133,724,122	111,242,599

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, other than the gain on disposal of unquoted investment of the Group and of the Company amounting to RM45,216,567 and the reversal of impairment loss on investment in associate amounting to RM57,336,804 and RM60,549,464 for the Group and for the Company respectively as disclosed in Note 32 to the financial statements.

Dividends

The amount of dividends paid by the Company since 31 March 2016 were as follows:

	RM
In respect of the financial year ended 31 March 2016 as reported in the directors' report of that period, an interim single-tier dividend of 2% on 230,235,015 ordinary shares declared on 25 May 2016 and paid on 29 June 2016 (2 sen per ordinary share)	4,604,700

On 23 May 2017, an interim single-tier dividend in respect of the financial year ended 31 March 2017, 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 2017. 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 2018.

DIRECTORS' REPORT
(cont'd)

Repurchase of shares

The approval granted by the shareholders at the extraordinary general meeting of the Company held on 26 August 2016, 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 127 of the Companies Act, 2016. There has been no sale or cancellation of such shares to date.

As at 31 March 2017, a total of 1,324,000 (2016: 1,324,000) ordinary shares are held as treasury shares. Such treasury shares are held at a carrying amount of RM1,930,638 (2016: RM1,930,638).

Directors

The directors of the Company and certain subsidiaries of the Group in office since the beginning of the financial year to the date of the 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 Articles of Association of the Company's Constitution, Tan Sri Dato' Surin Upatkoon and Dato' Lawrence Lim Swee Lin retire from the board at the forthcoming AGM and, being eligible, offer themselves for re-election.

The directors of the subsidiaries of the Group, excluding directors of the Company in office above since the beginning of the financial year to the date of this report are:

Lim Khoon Yee @ Lim Choon Kow
Lim Chien Aun
Tan Sri Abdul Rahim bin Mohd Nor
Dato' Ling Keak Ming
Dato' Seri Haji Noordin bin Omar
Lau Eng Sim
Chan Wye Kan
Tang Chong Chin
Goh Suat Bee
Toh Kee Wah
Chow Chee Keong
Sim Hock Sun
Liew Kee Keong
Meizar Suyardi
Suyardi Syukur

DIRECTORS' REPORT
(cont'd)

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 39 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 40 to the financial statements.

The total amount of insurance premium affected for any director and officer of the Group as at the financial year end is RM20,594.

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		→
Name of director	**1.4.2016**	**Acquired**	**Sold**	**31.3.2017**
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	470,000	-	-	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	10,119,280	-	-	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		→
	1.4.2016	**Acquired**	**Sold**	**31.3.2017**
Ordinary shares of the subsidiary (Daviscomms (S) Pte. Ltd.)				
Direct Interest	24,000	-	-	24,000

DIRECTORS' REPORT
(cont'd)

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.

(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 RM117,867,608 (2016: 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 RM189,108,835 (2016: RM208,780,241) which are classified as other investments, if necessary.

DIRECTORS' REPORT
(cont'd)

Subsequent events

Details of subsequent events are disclosed in Note 47 to the financial statements.

Auditors

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

Auditors' remuneration are disclosed in Note 34 to the financial statements.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 July 2017.

Tang King Hua **Lim Kong Yow**

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

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 51 to 141 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows for the year then ended.

The information set out in Note 49 to the financial statements on page 142 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 3 July 2017.

Tang King Hua **Lim Kong Yow**

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

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 51 to 142 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 3 July 2017. **Lim Kong Yow**

Before me,

KAPT. (B) JASNI BIN YUSOFF (W465)
Commissioner for Oaths

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MWE Holdings Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 51 to 141.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

Investment properties
(Refer to summary of significant accounting judgements and estimates in Note 3.2(e) and Note 5 to the financial statements)

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit and loss. Significant judgement is required in determining fair value which may be derived based on different valuation methods.

When estimating the fair value of a property, the objective is to estimate the price that would be received from the sales of the investment property in an orderly transaction between market participants at the reporting date under current market conditions. In addition, the fair value should reflect, among other things, rental income from current leases and other assumptions that market participants would use when pricing the investment property under current market conditions, which are highly judgemental. Accordingly, we consider this to be an area of audit focus.

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

(a) We considered the objectivity, independence and expertise of the firms of independent valuers;

(b) We obtained an understanding on the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;

(c) As part of our evaluation of fair value of investment properties, we had discussion with the independent valuers to obtain an understanding of the property related data used as input to the valuation models; and

(d) We assessed the adequacy of disclosures related to investment properties as disclosed in Note 5 to the financial statements.

Revenue recognition
(Refer to Note 2.27(a) and Note 29 to the financial statements)

Revenue from sale of garment products recognised by the Group during the year amounted to RM249,465,368, representing 73% of the Group's revenue.

We considered revenue recognition to be a key audit matter due to the nature of the manufacturing operations of the Group which involves significant volume of transactions. As such, there is a risk that revenue could be subject to misstatements, particularly in respect of the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

Our audit procedures included, among others, the following:

(a) Obtained an understanding of the Group's revenue recognition accounting policies;

(b) Tested the effectiveness of the management's internal controls over timing and amount of revenue recognised;

(c) Identified the point of transfer of significant risk and rewards. Our audit procedures included, amongst others, inspecting the terms of significant sales contracts, and performing cut-off tests by inspecting documents which evidenced the delivery of goods to customers to determine that sales are properly recorded in the correct period;

(d) Performed substantive testing of revenue recorded during the year and analytical procedures; and

(e) Tested journal entries posted to revenue accounts to identify unusual or irregular items.

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

Other reporting responsibilities

The supplementary information set out in Note 49 to the financial statements on page 142 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choh Leang
No. 02716/01/2019 J
Chartered Accountant

Kuala Lumpur, Malaysia
3 July 2017

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Assets					
Non-current assets					
Property, plant and equipment	4	88,858,428	28,287,405	-	-
Investment properties	5	57,122,000	62,705,000	-	-
Land held for property development	6	11,780,734	11,776,075	-	-
Land use rights	7	25,123,614	26,000,082	-	-
Biological assets	8	6,473,159	7,087,252	-	-
Intangible assets	9	281,591	315,288	-	-
Investment in subsidiaries	10	-	-	260,819,381	264,851,246
Investment in associates	11	306,027,791	237,043,468	296,486,342	233,522,312
Other investments	12	191,563,465	211,234,872	189,250,411	208,921,818
		687,230,782	584,449,442	746,556,134	707,295,376
Current assets					
Property development costs	13	7,292,488	8,079,496	-	-
Inventories	14	41,476,169	46,406,542	-	-
Amount due from subsidiaries	15	-	-	10,079,319	12,332,527
Amount due from associates	16	16,582,501	15,763,303	-	-
Trade and other receivables	17	41,786,590	26,636,244	3,361,248	4,500
Prepayments		5,088,193	2,107,610	16,695	16,695
Tax recoverable		3,129,764	2,217,048	175,257	141,257
Cash and bank balances	18	125,027,081	100,487,468	7,104,938	1,171,582
		240,382,786	201,697,711	20,737,457	13,666,561
Assets of disposal group classified as held for sale	47(a)	-	45,023,102	-	-
		240,382,786	246,720,813	20,737,457	13,666,561
Total assets		927,613,568	831,170,255	767,293,591	720,961,937

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (cont'd)

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Equity and liabilities					
Current liabilities					
Trade and other payables	19	50,028,632	32,033,942	832,146	4,366,492
Amount due to subsidiaries	15	-	-	11,372,919	12,023,412
Loans and borrowings	20	128,588,693	157,328,115	126,400,000	154,850,000
Current tax payable		701,534	1,337,332	-	-
Derivatives liabilities	22	-	187,166	-	-
		179,318,859	190,886,555	138,605,065	171,239,904
Liabilities directly associated with disposal group classified as held for sale	47(a)	-	15,801,985	-	-
		179,318,859	206,688,540	138,605,065	171,239,904
Net current assets/(liabilities)		61,063,927	40,032,273	(117,867,608)	(157,573,343)
Non-current liabilities					
Loans and borrowings	20	42,334,723	46,390,065	37,000,000	45,000,000
Deferred tax liabilities	23	1,232,297	5,200,607	-	-
Deferred income	24	11,423,031	-	-	-
		54,990,051	51,590,672	37,000,000	45,000,000
Total liabilities		234,308,910	258,279,212	175,605,065	216,239,904
Net assets		693,304,658	572,891,043	591,688,526	504,722,033
Equity attributable to owners of the parent					
Share capital	25	255,145,114	231,559,015	255,145,114	231,559,015
Reserves	26	425,272,342	330,471,868	338,474,050	275,093,656
Treasury shares	27	(1,930,638)	(1,930,638)	(1,930,638)	(1,930,638)
		678,486,818	560,100,245	591,688,526	504,722,033
Non-controlling interests		14,817,840	12,790,798	-	-
Total equity		693,304,658	572,891,043	591,688,526	504,722,033
Total equity and liabilities		927,613,568	831,170,255	767,293,591	720,961,937

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 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Revenue	29	342,550,989	319,443,649	22,444,658	26,838,029
Cost of sales	30	(276,463,498)	(254,470,676)	-	-
Gross profit		66,087,491	64,972,973	22,444,658	26,838,029
Other items of income					
Interest income	31	1,826,348	1,449,140	595,382	1,104,695
Other income	32	116,367,823	8,615,925	106,932,929	23,235,021
Other items of expense					
Administrative and other expenses		(42,291,498)	(91,475,410)	(8,472,273)	(66,972,173)
Marketing and distribution		(5,639,843)	(5,193,823)	-	-
Finance costs	33	(11,603,392)	(12,344,126)	(10,173,905)	(10,494,593)
Share of results of associates		9,232,953	6,658,361	-	-
Profit/(loss) before tax	34	133,979,882	(27,316,960)	111,326,791	(26,289,021)
Income tax expense	35	(255,760)	(9,362,761)	(84,192)	(199,229)
Profit/(loss) net of tax		133,724,122	(36,679,721)	111,242,599	(26,488,250)
Other comprehensive (loss)/income					
Fair value loss on available-for-sale financial assets		(19,671,406)	(29,344,418)	(19,671,406)	(29,344,418)
Foreign currency translation		10,503,763	3,925,190	-	-
Other comprehensive loss for the year, net of tax, representing items to be reclassified subsequently to profit or loss		(9,167,643)	(25,419,228)	(19,671,406)	(29,344,418)
Total comprehensive income/(loss) for the year		124,556,479	(62,098,949)	91,571,193	(55,832,668)
Profit/(Loss) attributable to:					
Owners of the parent		132,890,431	(35,156,242)	111,242,599	(26,488,250)
Non-controlling interests		833,691	(1,523,479)	-	-
		133,724,122	(36,679,721)	111,242,599	(26,488,250)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		122,529,437	(61,167,887)	91,571,193	(55,832,668)
Non-controlling interests		2,027,042	(931,062)	-	-
		124,556,479	(62,098,949)	91,571,193	(55,832,668)
Earnings/(loss) per ordinary share attributable to owners of the parent (sen per share)					
Basic/diluted	36	57.72	(15.27)		

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 2017

	Attributable to owners of the parent										
		Non-distributable						Distributable			
	Share capital (Note 25) RM	Share premium (Note 26) RM	Exchange translation reserve (Note 26) RM	Capital reserve (Note 26) RM	Revaluation reserve (Note 26) RM	Fair value reserve (Note 26) RM	Treasury shares (Note 27) RM	Retained earnings (Note 28) RM	Total RM	Non-controlling interests RM	Total equity RM
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 37)	-	-	-	-	-	-	-	(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
At 1 April 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
Total comprehensive income	-	-	9,310,412	-	-	(19,671,406)	-	132,890,431	122,529,437	2,027,042	124,556,479
Transfer arising from Companies Act, 2016	23,586,099	(23,586,099)	-	-	-	-	-	-	-	-	-
Transactions with owners:											
Revaluation surplus on property, plant and equipment (Note 4)	-	-	-	-	486,143	-	-	-	486,143	-	486,143
Deferred tax liability (Note 23)	-	-	-	-	(24,307)	-	-	-	(24,307)	-	(24,307)
Realisation of revaluation reserve	-	-	-	-	(3,684,896)	-	-	3,684,896	-	-	-
Dividends on ordinary shares (Note 37)	-	-	-	-	-	-	-	(4,604,700)	(4,604,700)	-	(4,604,700)
	-	-	-	-	(3,223,060)	-	-	(919,804)	(4,142,864)	-	(4,142,864)
At 31 March 2017	255,145,114	-	21,606,577	4,156	461,836	70,203,356	(1,930,638)	332,996,417	678,486,818	14,817,840	693,304,658

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 2017

	←	Non-distributable	→		Distributable	
	Share capital (Note 25) RM	Share premium (Note 26) RM	Fair value reserve (Note 26) RM	Treasury shares (Note 27) RM	Retained earnings (Note 28) RM	Total RM
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 37)	-	-	-	-	(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
At 1 April 2016	231,559,015	23,586,099	89,874,762	(1,930,638)	161,632,795	504,722,033
Total comprehensive income	-	-	(19,671,406)	-	111,242,599	91,571,193
Transfer arising from Companies Act, 2016	23,586,099	(23,586,099)	-	-	-	-
Dividends on ordinary shares (Note 37)	-	-	-	-	(4,604,700)	(4,604,700)
At 31 March 2017	255,145,114	-	70,203,356	(1,930,638)	268,270,694	591,688,526

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 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit/(loss) before tax		133,979,882	(27,316,960)	111,326,791	(26,289,021)
Adjustments for:					
Amortisation of					
- biological assets	34	614,093	614,093	-	-
- intangible assets	34	63,210	20,098	-	-
- land use rights	34	478,314	436,712	-	-
Bad debts written off	34	5,956	29	-	-
Depreciation of property, plant and equipment	34	4,001,928	3,805,938	-	-
Net gain on disposal of					
- investment property	32	(4,800,000)	-	-	-
- property, plant and equipment		(143,911)	(2,286,825)	-	-
- unquoted investments	32	(45,216,567)	(359,938)	(45,216,567)	(359,938)
Gain on dissolution of a subsidiary	32	-	(888,057)	(129,989)	-
Impairment loss on					
- advances to associates	34	31,379	27,038	-	-
- advances to subsidiaries	34	-	-	1,068,024	9,252,595
- investment in associates	34	2,729,137	47,091,241	2,729,137	40,389,151
- investment in subsidiaries	34	-	-	2,400,000	3,000,000
- other receivables	34	319,646	348,903	-	-
- trade receivables	34	278,024	409,758	-	-
- unquoted equity investments	34	-	12,293,999	-	12,293,999
Net fair value (gain)/loss on					
- derivative liabilities		(187,166)	187,166	-	-
- investment properties		1,283,000	(902,000)	-	-
Net unrealised loss/(gain) on foreign exchange		56,563	(1,246,160)	-	-
Property, plant and equipment written off	34	839	5,116	-	-
Reversal of impairment loss on					
- advances to subsidiaries	32	-	-	(110,655)	(1,381,986)
- investment in subsidiary	32	-	-	-	(21,493,097)
- investment in associates	32	(57,336,804)	-	(60,549,464)	-
- trade receivables	32	(258,454)	(18,968)	-	-
Share of results of associates		(9,232,953)	(6,658,361)	-	-
Write-back of inventories	32	(314,328)	-	-	-
Write-down of inventories	34	-	24,231	-	-
Write-off of					
- inventories	34	35,060	2,080,648	-	-
- investment in associates	34	272,914	-	272,914	-
- land use rights	34	517,045	-	-	-
- unquoted equity investments	34	-	13	-	2
Gross dividend income		(9,044,658)	(11,038,029)	(22,444,658)	(26,838,029)
Interest income		(1,826,348)	(1,449,140)	(595,382)	(1,104,695)
Interest expense		11,603,392	12,344,126	10,173,905	10,494,593
Operating profit/(loss) before working capital changes c/f		27,909,193	27,524,671	(1,075,944)	(2,036,426)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash flows from operating activities (cont'd)					
Operating profit/(loss) before working capital changes b/f		27,909,193	27,524,671	(1,075,944)	(2,036,426)
Changes in inventories		6,272,039	(1,912,404)	-	-
Changes in property development costs and land held for property development		787,008	(20,104)	-	-
Changes in receivables		(16,175,442)	15,148,248	(3,356,747)	1,312,449
Changes in payables		12,100,627	(12,405,397)	(3,534,346)	124,173
Changes in trade line borrowings		-	(1,234,000)	-	-
Cash generated from/(used in) operations		30,893,425	27,101,014	(7,967,037)	(599,804)
Interest received		1,826,348	1,449,140	595,382	1,104,695
Interest paid		(11,603,392)	(12,344,126)	(10,173,905)	(10,494,593)
Tax paid		(5,923,290)	(7,733,938)	(118,192)	(213,229)
Net cash generated from/(used in) operating activities		15,193,091	8,472,090	(17,663,752)	(10,202,931)
Cash flows from investing activities					
Addition in investment in an associate		(5,416,617)	-	(5,416,617)	-
Addition in investment in a subsidiary		-	-	-	(6,000,000)
Capital repayment by a subsidiary		-	-	231,871	-
Capital return by a subsidiary		-	-	5,529,989	-
Net advances to subsidiaries		-	-	-	(2,107,536)
Net dividends received from					
- subsidiaries		-	-	13,400,000	10,300,000
- other investments		9,044,658	11,038,029	9,044,658	11,038,029
Net repayment from subsidiaries		-	-	1,295,839	-
Purchase of					
- intangible assets	9	-	(193,065)	-	-
- land use rights	7	(118,891)	(3,675,418)	-	-
- property, plant and equipment	4	(22,542,614)	(7,115,999)	-	-
Proceeds from disposal of					
- investment property		12,800,000	-	-	-
- other investments		45,216,567	3,135,000	45,216,567	3,135,000
- property, plant and equipment		164,096	2,692,715	-	-
Proceeds from dissolution of a subsidiary		-	328,681	-	-
Net cash generated from investing activities		39,147,199	6,209,943	69,302,307	16,365,493

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017 (cont'd)

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Cash flows from financing activities					
Drawdown of bank borrowings		5,272,000	350,000	900,000	350,000
Dividends paid to shareholders		(4,604,700)	(4,604,700)	(4,604,700)	(4,604,700)
Repayment of bank borrowings		(37,931,347)	(2,881,175)	(37,350,000)	(2,500,000)
Repayment of hire purchase and finance lease instalments		(319,954)	(480,395)	-	-
Repayment to subsidiaries		-	-	(4,650,499)	(2,873,686)
Placement in short term deposits		(2,464,157)	(87,883)	-	-
Net cash used in financing activities		(40,048,158)	(7,704,153)	(45,705,199)	(9,628,386)
Net increase/(decrease) in cash and cash equivalents		14,292,132	6,977,880	5,933,356	(3,465,824)
Effects of foreign exchange rate changes		7,182,096	2,802,353	-	-
		21,474,228	9,780,233	5,933,356	(3,465,824)
Cash and cash equivalents at beginning of year		99,377,772	89,597,539	1,171,582	4,637,406
Cash and cash equivalents at end of year		120,852,000	99,377,772	7,104,938	1,171,582

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017

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 ("Bursa Malaysia"). The registered office of the Company is located at 30 02, 30th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur.

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.

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, 2016 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 2016 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 RM117,867,608. 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 RM189,108,835 which are classified as other investments, if necessary.

2.2 Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following new/revised FRSs and Amendments to FRSs:

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 5, FRS 7, FRS 119 and FRS 134	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities : Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

2.3 Amendments to FRSs that are not yet effective

The Group and the Company have not applied the following Amendments to FRSs that have been issued by Malaysian Accounting Standards Board ("MASB") but not yet effective:

Description		Effective for annual periods beginning on or after
Amendments to FRS 107	Disclosure initiative	1 January 2017
Amendments to FRS 112	Recognition of Deferred Tax Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 12	Annual Improvements to FRSs 2012-2014 Cycle	1 January 2017
Amendments to FRS 2	Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to FRS 9	Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Amendments to FRSs are expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as discussed below:

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the MASB issued a new approved accounting framework, the MFRS framework.

MFRS 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/or IC Interpretation 15 Agreements for Construction of Real Estate, including the entities' parent, significant investor and venturer (referred to as "Transitioning Entities" collectively). Transitioning Entities are allowed to defer adoption of MFRS framework, and continue to use the existing FRS framework until the MFRS framework is effective. The Group falls within the definition of Transitioning Entities and has opted to defer adoption of MFRS framework.

Based on the MASB announcement on 2 September 2014, the effective date for the adoption of MFRS Framework by the Transitioning Entities was deferred from annual periods beginning on or after 1 January 2015 to annual periods beginning on or after 1 January 2017.

On the same day, MASB also issued MFRS 15 Revenue from Contracts with Customers and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants. MFRS 15 is effective for annual periods beginning on or after 1 January 2018 while the Amendments to MFRS 116 and MFRS 141 is effective for annual periods beginning on or after 1 January 2016. On 17 November 2014, MASB issued MFRS 9 Financial Instruments, which is effective for annual periods beginning on or after 1 January 2018.

Based on the MASB announcement on 8 September 2015, the effective date for the adoption of MFRS Framework by the Transitioning Entities was deferred from annual periods beginning on or after 1 January 2017 to annual periods beginning on or after 1 January 2018.

Accordingly, the Group has elected to continue to apply the FRS framework up to its financial year ending 31 March 2018. The Group will adopt the MFRS framework and prepare its first set of MFRS framework financial statements for the financial year ending 31 March 2019.

The Group 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 ended 31 March 2017 could be different if prepared under MFRS Framework.

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

2.3 Amendments to FRSs that are not yet effective (cont'd)

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities. This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of financial liabilities, the requirements are generally similar to the former FRS 139. However, this standard requires that for financial liabilities designated at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

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 (such as 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

2.4 Basis of consolidation (cont'd)

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 ("OCI") 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 Financial Instruments: Recognitions and Measurement, it is measured in accordance with the appropriate FRS.

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 (such as 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. Summary of significant accounting policies (cont'd)

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 since the acquisition date. Goodwill relating to the associate 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.

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 results of the associates are accounted for in the consolidated financial statements based on audited and/or unaudited management financial statements made up to the end of the financial year. 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' 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.

In the Company's separate financial statements, investments in associates 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.

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

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 is current when it is:

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

(ii) Held primarily for the purpose of trading;

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

The 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) Club membership

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

(b) 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%

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2017 (cont'd)

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

2.11 Property, plant and equipment (cont'd)

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.

2.12 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. Where the fair value of the property is higher than its carrying amount, the increase will be recognised in profit or loss to the extent that it reverses a previous impairment loss. Any remaining part of the increase is recognised in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in the equity may be transferred to retained profits. The transfer from revaluation surplus to retained profits is not made through profit or loss.

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

2.13 Biological assets

In accordance with paragraph 54 of FRS 101: Presentation of Financial Statements, 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")).

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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

2.16 Financial assets (cont'd)

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.

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 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 ("AFS")

AFS 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, AFS 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 Groups and the Company's right to receive payment is established.

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

2.16 Financial assets (cont'd)

(c) Available-for-sale financial assets ("AFS") (cont'd)

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

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

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 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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 AFS are impaired.

If an AFS 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 have 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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: Financial Instruments: Recognition and Measurements, 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 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 have 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 2.27(c).

2.26 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

2.27 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.

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

2.28 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

2.28 Income taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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) Goods and Services Tax ("GST")

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

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

- When receivables and payables that are stated with the amount of GST included.

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

2.29 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 46, including the factors used to identify the reportable segments and the measurement basis of segment information.

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

2.31 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.

2.32 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.

2.33 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 best economic 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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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: Investment Property, 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 2017, the amount of impairment loss recognised for available-for-sale financial assets for the Group and the Company were Nil (2016: RM12,293,999).

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

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 property, 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 property, 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. As at 31 March 2017, the allowance for impairment of the Group is RM10,721,070 (2016: RM7,081,554).

(c) 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.

The recoverable amounts of the investments in subsidiaries are assessed based on fair value less cost to sell or adjusted net tangible assets after taking into consideration of the fair value of the underlying assets by relying on the valuation reports issued from work of specialists. The carrying amount of investment in subsidiaries of the Company as at 31 March 2017 amounted to RM260,819,381 (2016: RM264,851,246) as disclosed in Note 10.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, any unabsorbed capital allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which these benefits 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 RM34,200,962 (2016: RM34,309,909). Further details are disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

3.2 Key sources of estimation uncertainty (cont'd)

(e) 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 and estimate are required in determining fair value which may be derived based on different valuation methods. In making the judgement and estimate, the Group evaluates by relying on the work of specialists. The Group engaged independent valuation specialists to determine the fair value of the investment properties as at 31 March 2017. Further details are disclosed in Note 5.

(f) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

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 discounted cash flows ("DCF") model.

The assumptions used to determine the recoverable amount for the different CGUs, including sensitivity analysis, are disclosed and further explained in Note 44.

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 2017									
At cost									
At 1 April 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
Additions	-	-	-	4,041	3,925,939	365,382	385,048	17,862,204	22,542,614
Disposals	-	-	-	-	(12,371,723)	(371,350)	(807,590)	-	(13,550,663)
Revaluation surplus	486,143	-	-	-	-	-	-	-	486,143
Reclassified to investment properties (Note 5)	(3,700,000)	-	-	-	-	-	-	-	(3,700,000)
Write-off	-	-	-	-	(33,975)	-	(276,801)	-	(310,776)
Reclassified from 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	-	-	-	878,616	1,270,968	65,975	449,703	1,056,887	3,722,149
At 31 March 2017	112,175	20,306,097	684,746	63,329,406	37,108,156	5,415,740	23,930,374	22,420,903	173,307,597
Accumulated depreciation									
At 1 April 2016	-	300,951	253,925	10,476,826	38,662,483	4,287,105	15,919,325	-	69,900,615
Charge for the year	-	211,857	11,411	879,397	1,708,753	297,552	892,958	-	4,001,928
Disposals	-	-	-	-	(12,371,561)	(351,349)	(807,568)	-	(13,530,478)
Write-off	-	-	-	-	(33,973)	-	(275,964)	-	(309,937)
Reclassified from 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	-	-	-	365,988	986,257	65,585	400,447	-	1,818,277
At 31 March 2017	-	5,086,038	265,336	23,096,996	28,951,959	4,550,139	22,498,701	-	84,449,169
Net carrying amount									
At 31 March 2017	112,175	15,220,059	419,410	40,232,410	8,156,197	865,601	1,431,673	22,420,903	88,858,428

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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 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)

(a) During the financial year, the Group acquired property, plant and equipment amounting to RM22,542,614 (2016: RM7,115,999).

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

	Group	
	2017 RM	2016 RM
At net carrying amount		
Motor vehicles	301,333	354,333
Plant and machinery	-	648,996
	301,333	1,003,329

Details of the terms and condition of the hire purchase and finance lease commitments are disclosed in Note 21.

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

	Group	
	2017 RM	2016 RM
At net carrying amount		
Freehold land	112,175	112,175
Long term leasehold land	15,220,059	1,399,049
Buildings	32,185,135	3,798,649
Motor vehicles	295,288	297,811
Furniture, fixtures and equipment	87,446	101,336
	47,900,103	5,709,020

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

5. Investment properties

	Group 2017 RM	Group 2016 RM
At fair value		
At 1 April	62,705,000	61,803,000
Reclassified from property, plant and equipment (Note 4)	3,700,000	-
Disposal	(8,000,000)	-
Net (loss)/gain from fair value adjustments	(1,283,000)	902,000
At 31 March	57,122,000	62,705,000
Investment properties consist of		
Freehold land and buildings	55,772,000	53,325,000
Long term leasehold land and buildings	1,350,000	9,380,000
	57,122,000	62,705,000

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 2.33. There have been no transfers between Level 2 and Level 3 during the reporting year ended 31 March 2017.

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

Valuation technique	Significant observable inputs	Property	Range
Comparison method of valuation	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, 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%

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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	
	2017 RM	2016 RM
At net carrying amount		
Freehold land and buildings	33,250,000	34,850,000
Long term leasehold land and buildings	-	8,000,000
	33,250,000	42,850,000

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

	Group	
	2017 RM	2016 RM
Rental income (Note 29)	5,148,897	5,369,941
Direct operating expenses (Note 30)	(2,718,711)	(2,532,542)
Profit arising from investment properties	2,430,186	2,837,399

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	
	2017 RM	2016 RM
Freehold land, at cost		
Freehold land		
At 1 April/31 March	8,714,870	8,714,870
Development costs		
At 1 April	3,061,205	3,055,883
Cost incurred during the year	4,659	5,322
	3,065,864	3,061,205
At 31 March	11,780,734	11,776,075

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2017 (cont'd)

7. Land use rights

	Group 2017 RM	Group 2016 RM
Long term leasehold land		
Cost		
At 1 April	29,678,026	26,002,608
Addition	118,891	3,675,418
Write-off	(700,000)	-
At 31 March	29,096,917	29,678,026
Accumulated amortisation		
At 1 April	3,677,944	3,241,232
Charge for the year (Note 34)	478,314	436,712
Write-off	(182,955)	-
At 31 March	3,973,303	3,677,944
Net carrying amount		
At 31 March 2017	25,123,614	26,000,082

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 48 years (2016: 49 years) for Kelantan, 59 years (2016: 60 years) and 96 years (2016: 97 years) for lands in Penang respectively.

8. Biological assets

	Group 2017 RM	Group 2016 RM
Oil palm plantation development expenditure		
Cost		
At 1 April/31 March	12,000,000	12,000,000
Accumulated amortisation		
At 1 April	4,912,748	4,298,655
Amortisation for the year (Note 34)	614,093	614,093
At 31 March	5,526,841	4,912,748
Net carrying amount		
At 31 March	6,473,159	7,087,252

9. Intangible assets

	Club membership RM	Group license fee RM	Total RM
Cost			
At 1 April 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
Exchange differences	34,905	22,095	57,000
At 31 March 2017	406,506	199,057	605,563
Accumulated amortisation and impairment			
At 1 April 2015	184,153	-	184,153
Amortisation (Note 34)	-	20,098	20,098
Exchange differences	29,460	(436)	29,024
At 31 March 2016	213,613	19,662	233,275
Amortisation (Note 34)	-	63,210	63,210
Exchange differences	21,726	5,761	27,487
At 31 March 2017	235,339	88,633	323,972
Net carrying amount			
At 31 March 2016	157,988	157,300	315,288
At 31 March 2017	171,167	110,424	281,591

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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

10. Investment in subsidiaries

	Company 2017 RM	Company 2016 RM
Unquoted shares at cost	377,714,832	379,346,697
Less: Accumulated impairment losses	(116,895,451)	(114,495,451)
	260,819,381	264,851,246

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 2017 %	The Company 2016 %	Non-controlling interest 2017 %	Non-controlling interest 2016 %
Davex Holdings Berhad *	Investment holding	100	100	-	-
Devanna Limited * (incorporated in British Virgin Islands)	Investment holding	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. *	Inactive	100	100	-	-
Metra Management Sdn. Bhd. *	Provision of share registration, accounting, secretarial, management and insurance agency 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	-	-
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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

10. Investment in subsidiaries (cont'd)

The following are subsidiaries of the Company all of which are incorporated in Malaysia unless otherwise stated (cont'd):

Name of company	Principal activities	Proportion of ownership interest held by: The Company 2017 %	The Company 2016 %	Non-controlling interest 2017 %	Non-controlling interest 2016 %
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
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	-	-
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	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

10. Investment in subsidiaries (cont'd)

The following are subsidiaries of the Company all of which are incorporated in Malaysia unless otherwise stated (cont'd):

Name of company	Principal activities	Proportion of ownership interest held by: The Company 2017 %	The Company 2016 %	Non-controlling interest 2017 %	Non-controlling interest 2016 %
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
Subsidiary 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.*

During the financial year, the Company recognised impairment losses of RM2,400,000 (2016: RM3,000,000) (Note 34) on its investment in certain subsidiaries.

As at 31 March 2017, impairment losses on the value of investment in certain subsidiaries were made based on adjusted net tangible assets after taking into consideration of the fair value of their underlying assets at 31 March 2017. 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)

(a) Transfer of shares in Devanna Limited to MWE Holdings Berhad

On 13 May 2016, First Cosmopolitan Sdn Bhd, a wholly-owned subsidiary of the Company, transfer its entire investment in Devanna Limited, a company incorporated in British Virgin Islands, to the Company, for a consideration of RM4,000,005.

(b) Analysis of liquidation of subsidiary

On 14 September 2016, the subsidiary of the Company, MWE Weaving Mills Sdn Bhd was dissolved pursuant to Section 254(1)(6) of the Companies Act, 1965.

(c) Acquisition of United Sweethearts Garment Sdn. Bhd. ("USG") shares in the previous financial year

In the previous financial year, the Company subscribed for 6,000,000 ordinary shares of RM1.00 each in USG for a total cash consideration of RM6,000,000.

(d) 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current assets	13,368	7,434	4,307	4,417	4,326	4,326	22,001	16,177
Current assets	38,995	33,104	15,315	13,854	8	1	54,318	46,959
Total assets	52,363	40,538	19,622	18,271	4,334	4,327	76,319	63,136
Current liabilities	3,799	2,856	19,611	17,319	1,869	1,746	25,279	21,921
Non-current liabilities	4,465	100	24	50	-	-	4,489	150
Total liabilities	8,264	2,956	19,635	17,369	1,869	1,746	29,768	22,071
Net assets/(liabilities)	44,099	37,582	(13)	902	2,465	2,581	46,551	41,065
Equity attributable to owners of the Company	29,768	25,368	(8)	527	1,725	1,806	31,485	27,701
Non-controlling interests	14,331	12,214	(5)	375	740	775	15,066	13,364

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

10. Investment in subsidiaries (cont'd)

(d) 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	47,310	55,381	17,432	19,230	-	-	64,742	74,611
Profit/(loss) of the year, representing total comprehensive income/(loss) for the year	2,844	1,841	(915)	(4,373)	(117)	(116)	1,812	(2,648)

(iii) Summarised cash flows

	Daviscomm		Dongfeng		Prime Achiver		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net cash generated from/(used in) operating activities	5,397	7,699	2,020	(1,669)	114	96	7,531	6,126
Net cash used in investing activities	(6,817)	(4,231)	(77)	(6)	-	-	(6,894)	(4,237)
Net cash (used in)/ generated from financing activities	(2,221)	(507)	(1,707)	795	(107)	(104)	(4,035)	184
Net change in cash and cash equivalents	(3,641)	2,961	236	(880)	7	(8)	(3,398)	2,073
Cash and cash equivalents at beginning of the year	19,700	16,739	930	1,810	1	9	20,631	18,558
Cash and cash equivalents at end of the year	16,059	19,700	1,166	930	8	1	17,233	20,631

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

11. Investments in associates

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Quoted shares, at cost	296,486,341	305,540,193	296,486,341	305,540,193
Less: Accumulated impairment losses	-	(68,805,222)	-	(72,017,882)
	296,486,341	236,734,971	296,486,341	233,522,311
Group's share of post-acquisition reserves and profit	5,935,571	(3,212,660)	-	-
	302,421,912	233,522,311	296,486,341	233,522,311
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	(15,791,340)	(15,876,062)	-	-
	3,605,879	3,521,157	1	1
	306,027,791	237,043,468	296,486,342	233,522,312
Market value				
- equity instruments quoted in Malaysia	338,666,460	233,522,311	338,666,460	233,522,311

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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 2017 %	2016 %
WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad)	Investment holding	26	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.

During the year, the Company purchased additional 6,000,000 shares in WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad) ("WCE"), for a total cash consideration of RM5,416,617, resulting in an increased shareholding in WCE from 25% to 25.6%.

An impairment loss and write off of WCE warrants for both the Group and the Company amounting to RM2,729,137 and RM272,914 respectively have been recognised during the year due to the expiration of the unexercised warrants on 26 August 2016.

As at 31 March 2017, the Group and the Company reversed the impairment loss in investment in WCE amounting to RM57,336,804 and RM60,549,464 respectively. As WCE continues to record profits and increase in its share price, it indicates that the impairment loss in investment in WCE recognised in prior years may no longer needed. This resulted the Group and the Company reassessing the recoverable amount of investments in WCE which were based on the fair value less cost to sell. Accordingly, reversal of impairment loss in WCE of the Group and the Company amounting to RM57,336,804 and RM60,549,464 were recognised in the statements of comprehensive income from this assessment.

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 2016 has been used and appropriate adjustments have been made for the effects of significant transactions between 31 March 2017 and that date.

Included in the investment in associate of the Group and of the Company are quoted investments of RM197,375,980 (2016: RM74,336,000) which are pledged to the bank for banking facilities granted to the Company as disclosed in Note 20.

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

	WCE Holdings Berhad	
	2017 RM'000	2016 RM'000
Non-current assets	1,697,277	780,580
Current assets	1,246,053	1,577,310
Total assets	2,943,330	2,357,890
Non-current liabilities	1,909,764	1,231,108
Current liabilities	308,601	433,843
Total liabilities	2,218,365	1,664,951
Net assets attributable to the owners of the associate	685,660	649,902

(ii) Summarised statement of comprehensive income

	WCE Holdings Berhad	
	2017 RM'000	2016 RM'000
Revenue	817,489	529,335
Profit before tax	42,531	29,999
Profit for the year	35,108	27,760
Total comprehensive income attributable to the owners of the associate	35,758	26,821

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

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

	WCE Holdings Berhad	
	2017 RM'000	2016 RM'000
At 1 April	649,902	623,081
Profit for the year	35,758	26,821
Net assets at 31 March	685,660	649,902
Interest in associate	26%	25%
Net assets of Group's interest in associate	175,437	162,399
Goodwill	139,928	139,928
Goodwill for additional shares purchase	1,527	-
Warrants expired	(14,470)	-
Less: Impairment	-	(68,805)
Carrying value of Group's interest in associate	302,422	233,522

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

	2017 RM	2016 RM
The Group's share of profit/(loss) before tax	259,266	(498,171)
The Group's share of profit/(loss) after tax	151,562	(498,171)
The Group's share of total comprehensive income/(loss)	151,562	(498,171)

(d) Unrecognised share of losses in associates

	Group	
	2017 RM	2016 RM
The unrecognised share of loss in associates for the year	(3,752)	(65,221)
Cumulative share of loss in associates	(4,820,650)	(4,816,898)

12. Other investments

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Available-for-sale financial assets				
Equity instruments quoted in Malaysia				
- At market value	189,108,835	208,780,241	189,108,835	208,780,241
Unquoted equity instruments, at cost	24,313,521	36,607,521	15,401,468	27,695,468
Less: Accumulated impairment losses	(21,858,891)	(34,152,890)	(15,259,892)	(27,553,891)
	2,454,630	2,454,631	141,576	141,577
	191,563,465	211,234,872	189,250,411	208,921,818

Included in the other investments of the Group and of the Company are quoted investments of RM189,108,835 (2016: RM208,780,241) pledged to the bank for banking facilities granted to the Company as disclosed in Note 20.

During the financial year, unrealised loss from changes in fair value of available-for-sale financial assets amounting to RM19,671,406 (2016: RM29,344,418) 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 RM45,216,567 (2016: RM359,938) was taken to profit or loss for both the Group and the Company (Note 32).

Impairment losses

In the previous financial year, both the Group and the Company recognised impairment losses of RM12,293,999 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

13. Property development costs

	Group 2017 RM	Group 2016 RM
At 1 April		
- Freehold land, at cost	7,736,218	7,736,218
- Development costs	343,278	328,496
	8,079,496	8,064,714
Add: Cost incurred during the year	16,580	14,782
Less: Transfer to an associate		
- Freehold land, at cost	(776,449)	-
- Development costs	(27,139)	-
At 31 March	7,292,488	8,079,496

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 2017 RM	Group 2016 RM
At cost		
Raw materials	19,708,199	13,727,098
Work-in-progress	8,404,770	13,438,951
Finished goods	5,919,323	8,799,623
Consumable stores and spares	3,069,740	3,628,136
Commercial trucks held for sale	3,179,947	5,618,544
Inventories of completed development units	1,143,390	1,143,390
	41,425,369	46,355,742
At net realisable value		
Commercial trucks held for sale	50,800	50,800
	41,476,169	46,406,542

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM264,691,929 (2016: RM242,041,541).

14. Inventories (cont'd)

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

	Group 2017 RM	Group 2016 RM
Consumable stores and spares	3,035,475	3,599,518
Commercial trucks held for sale	3,230,747	5,669,344
	6,266,222	9,268,862

15. Amount due from/(to) subsidiaries

	Company 2017 RM	Company 2016 RM
Current		
Amount due from subsidiaries	35,950,518	37,246,357
Less: Allowance for impairment	(25,871,199)	(24,913,830)
	10,079,319	12,332,527
Current		
Amount due to subsidiaries	(11,372,919)	(12,023,412)

(a) Amount due from subsidiaries

The amount due from subsidiaries are unsecured, repayable on demand and bear interest rates of between 5.99% and 6.22% (2016: 6.21% 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

16. Amount due from associates

	Group 2017 RM	Group 2016 RM
Amount due from associates	18,347,428	17,496,851
Less: Allowance for impairment	(1,764,927)	(1,733,548)
	16,582,501	15,763,303

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

17. Trade and other receivables

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Trade receivables				
Third parties	36,418,372	23,994,761	-	-
Less: Allowance for impairment	(4,209,282)	(3,990,258)	-	-
Trade receivables, net	32,209,090	20,004,503	-	-
Other receivables				
Third parties	15,309,219	8,968,867	3,785,023	428,275
Less: Allowance for impairment	(6,511,788)	(3,091,296)	(428,275)	(428,275)
Other receivables, net	8,797,431	5,877,571	3,356,748	-
Deposits	780,069	754,170	4,500	4,500
	9,577,500	6,631,741	3,361,248	4,500
Total trade and other receivables	41,786,590	26,636,244	3,361,248	4,500
Add: Cash and bank balances (Note 18)	125,027,081	100,487,468	7,104,938	1,171,582
Add: Amount due from associates (Note 16)	16,582,501	15,763,303	-	-
Add: Amount due from subsidiaries (Note 15)	-	-	10,079,319	12,332,527
Total loans and receivables	183,396,172	142,887,015	20,545,505	13,508,609

17. Trade and other receivables (cont'd)

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

Trade receivables are granted credit periods of 7 to 180 (2016: 7 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.

Ageing analysis of trade receivables

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

	Group	
	2017 RM	2016 RM
Neither past due nor impaired	4,544,099	4,742,651
1 to 30 days past due not impaired	14,279,034	9,687,507
31 to 60 days past due not impaired	6,857,661	1,406,316
61 to 90 days past due not impaired	3,292,396	456,199
91 to 120 days past due not impaired	1,872,896	2,912,076
More than 121 days past due not impaired	1,363,004	799,754
	27,664,991	15,261,852
Impaired	4,209,282	3,990,258
Total	36,418,372	23,994,761

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 RM27,664,991 (2016: RM15,261,852) that are past due at the reporting date but not impaired and are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

17. Trade and other receivables (cont'd)

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	
	2017	**2016**
	RM	**RM**
Trade receivables - nominal amounts	4,209,282	3,990,258
Less : Allowance for impairment	(4,209,282)	(3,990,258)
	-	-

Movement in allowance accounts - trade receivables

	Group	
	2017	**2016**
	RM	**RM**
At 1 April	3,990,258	3,775,675
Charge for the year (Note 34)	278,024	409,758
Reclassified from/(to) assets of disposal group classified as held for sale	171,261	(171,261)
Reversal of impairment loss (Note 32)	(258,454)	(18,968)
Exchange differences	28,193	(4,946)
At 31 March	4,209,282	3,990,258

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.

17. Trade and other receivables (cont'd)

Other receivables that are impaired

At the reporting date, the Group and the Company have provided an allowance of RM6,511,788 (2016: RM3,091,296) and RM428,275 (2016: RM428,275) respectively for impairment of the unsecured advances given to third parties.

Movement in allowance accounts - other receivables

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 April	3,091,296	8,060,725	428,275	428,275
Charge for the year (Note 34)	319,646	348,903	-	-
Written off	-	(2,410,984)	-	-
Reclassified from/(to) assets of disposal group classified as held for sale	3,100,846	(3,100,846)	-	-
Exchange differences	-	193,498	-	-
At 31 March	6,511,788	3,091,296	428,275	428,275

18. Cash and bank balances

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash on hand and at banks	57,863,134	71,253,802	3,104,938	1,171,582
Deposits with				
- Licensed banks in Malaysia	35,250,845	12,657,959	4,000,000	-
- Foreign banks	31,913,102	17,072,783	-	-
Cash and deposits	125,027,081	100,984,544	7,104,938	1,171,582
Reclassified to assets of disposal group classified as held for sale (Note 47)	-	(497,076)	-	-
Cash and bank balances	125,027,081	100,487,468	7,104,938	1,171,582
Cash and deposits	125,027,081	100,984,544	7,104,938	1,171,582
Less: Bank overdraft	(104,152)	-	-	-
Less: Deposits with licensed banks with maturity of more than 3 months	(4,070,929)	(1,606,772)	-	-
Cash and cash equivalents	120,852,000	99,377,772	7,104,938	1,171,582

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2017 (cont'd)

18. Cash and bank balances (cont'd)

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

- amounts of RM14,775 (2016: RM14,482) 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 RM33,648 (2016: 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 (2016: RM22,186) 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	
	2017 %	2016 %	2017 %	2016 %
Licensed banks in Malaysia	2.00 - 3.70	2.95 - 4.10	2.65 - 3.25	3.20 - 3.25
Foreign banks	1.05 - 5.20	5.20	-	-

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

Fixed deposits amounting to RM2,834,925 (2016: RM1,606,772) 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 RM117,000 (2016: RM185,046) 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. Trade and other payables

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade payables				
Third parties	26,931,656	14,063,448	-	-
Other payables				
Other payables	5,359,657	3,360,829	99,280	128,369
Deposits	8,822,502	3,183,706	-	303,400
Accruals	8,914,817	11,425,959	732,866	3,934,723
	23,096,976	17,970,494	832,146	4,366,492
Total trade and other payables	50,028,632	32,033,942	832,146	4,366,492
Add: Loans and borrowings (Note 20)	170,923,416	203,718,180	163,400,000	199,850,000
Add: Amount due to subsidiaries (Note 15)	-	-	11,372,919	12,023,412
Total financial liabilities carried at amortised cost	220,952,048	235,752,122	175,605,065	216,239,904

(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 120 (2016: 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 (2016: 15 to 120) days.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

20. Loans and borrowings

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Current				
Secured				
Obligations under finance lease (Note 21)	97,388	290,962	-	-
Revolving credits	118,900,000	150,350,000	118,400,000	149,850,000
Bank overdraft	104,152	-	-	-
Term loans	8,387,153	5,387,153	8,000,000	5,000,000
	127,488,693	156,028,115	126,400,000	154,850,000
Unsecured				
Revolving credits	1,100,000	1,300,000	-	-
	128,588,693	157,328,115	126,400,000	154,850,000
Non-current				
Secured				
Obligations under finance lease (Note 21)	58,858	104,853	-	-
Term loans	42,275,865	46,285,212	37,000,000	45,000,000
	42,334,723	46,390,065	37,000,000	45,000,000
Total loans and borrowings	170,923,416	203,718,180	163,400,000	199,850,000

The remaining maturities of the loans and borrowings as at 31 March 2017 are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
On demand or within 1 year	128,588,693	157,328,115	126,400,000	154,850,000
More than 1 year and less than 2 years	13,687,623	20,443,124	25,000,000	20,000,000
More than 2 years and less than 5 years	28,647,100	25,946,941	12,000,000	25,000,000
	170,923,416	203,718,180	163,400,000	199,850,000

20. Loans and borrowings (cont'd)

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

	Group		Company	
	2017	2016	2017	2016
	%	%	%	%
Bank overdrafts	7.35 - 8.90	7.35 - 8.85	7.75	7.60 - 7.85
Revolving credits	4.47 - 5.75	4.53 - 6.47	4.47 - 5.60	4.72 - 5.60
Term loan	5.13 - 5.65	4.65 - 5.65	5.45 - 5.65	4.65 - 5.65

The revolving credits 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 44.

21. Finance lease liabilities

	Group	
	2017	2016
	RM	RM
Minimum lease payments		
Not later than 1 year	102,504	302,586
Later than 1 year and not later than 2 years	49,624	70,524
Later than 2 years and not later than 5 years	10,759	39,089
Total future minimum lease payments	162,887	412,199
Less: Future finance charges	(6,641)	(16,384)
Present value of minimum lease payments	156,246	395,815

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

21. Finance lease liabilities (cont'd)

	Group	
	2017	**2016**
	RM	**RM**
Analysis of present value of finance lease liabilities		
Not later than 1 year	97,388	290,962
Later than 1 year and not later than 2 years	48,327	63,828
Later than 2 years and not later than 5 years	10,531	41,025
	156,246	395,815
Less: Amount due within 12 months (Note 20)	(97,388)	(290,962)
Amount due after 12 months (Note 20)	58,858	104,853

The effective interest rates of the finance lease liabilities are between 2.36% and 2.72% (2016: 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.

22. Derivatives liabilities

	Group			
	2017		**2016**	
	RM		**RM**	
	Contract/ Notional Amount	**Liabilities**	**Contract/ Notional Amount**	**Liabilities**
Non-hedging derivatives				
Current				
Forward currency contracts	-	-	3,825,765	187,166

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.

23. Deferred tax liabilities

	Group	
	2017 RM	2016 RM
At 1 April	5,200,607	2,101,275
Recognised in profit or loss (Note 35)	(4,000,174)	3,091,749
Transfer from revaluation reserve	24,307	-
Exchange differences	7,557	7,583
At 31 March	1,232,297	5,200,607

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 2015/31 March 2016	159,781	17,061	176,842
Recognised in profit or loss	(159,781)	(17,061)	(176,842)
At 31 March 2017	-	-	-

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)
Recognised in profit or loss	3,051,872	1,125,144	4,177,016
Transfer from revaluation reserve	-	(24,307)	(24,307)
Exchange differences	(7,557)	-	(7,557)
At 31 March 2017	(810,847)	(421,450)	(1,232,297)

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

23. Deferred tax (cont'd)

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

	Group	
	2017	**2016**
	RM	**RM**
Unused tax losses	29,851,047	29,813,893
Unabsorbed capital allowances	4,349,915	4,496,016
	34,200,962	34,309,909

At the reporting date, the Group has unused tax losses and unabsorbed capital allowances of RM29,851,047 (2016: RM29,813,893) and RM4,349,915 (2016: RM4,496,016) 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.

24. 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	
	2017	**2016**
	RM	**RM**
Licence fees received from		
- Club members	11,004,981	-
- Instalment scheme	418,050	-
	11,423,031	-

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

25. Share capital

	Group and Company Amount 2017 RM	2016 RM
Issued and fully paid		
At beginning/end of the year	231,559,015	231,559,015
Add: Share premium classified as share capital under new Companies Act, 2016	23,586,099	-
	255,145,114	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's residual assets.

26. Reserves

		Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Non-distributable					
Share premium		23,586,099	23,586,099	23,586,099	23,586,099
Less: Share premium classified as share capital under new Companies Act, 2016		(23,586,099)	-	(23,586,099)	-
Exchange translation reserve	(a)	21,606,577	12,296,165	-	-
Capital reserve	(b)	4,156	4,156	-	-
Revaluation reserve	(c)	461,836	3,684,896	-	-
Fair value reserve	(d)	70,203,356	89,874,762	70,203,356	89,874,762
		92,275,925	129,446,078	70,203,356	113,460,861
Distributable					
Retained earnings (Note 28)		332,996,417	201,025,790	268,270,694	161,632,795
		425,272,342	330,471,868	338,474,050	275,093,656

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

26. Reserves (cont'd)

(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.

27. Treasury shares

	Group and Company	
	2017 RM	2016 RM
Treasury shares	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 127 of the Companies Act, 2016. Treasury shares have no rights to voting, dividend and participation in other distribution.

As at 31 March 2017, the number of treasury shares held is 1,324,000 (2016: 1,324,000) ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

28. Retained earnings

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

29. Revenue

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Sale of goods	317,268,283	293,714,122	-	-
Rendering of services	9,908,620	9,242,677	-	-
Sales of properties	1,180,531	78,880	-	-
Rental income from investment property	5,148,897	5,369,941	-	-
Dividend income				
- subsidiaries	-	-	13,400,000	15,800,000
- equity instruments (quoted in Malaysia)	8,583,745	10,564,610	8,583,745	10,564,610
- equity instruments (unquoted outside Malaysia)	460,913	473,419	460,913	473,419
	342,550,989	319,443,649	22,444,658	26,838,029

30. Cost of sales

	Group	
	2017	**2016**
	RM	**RM**
Cost of goods sold	264,691,929	242,041,541
Cost of services rendered	9,052,858	9,896,593
Direct operating costs relating to rental income of investment properties	2,718,711	2,532,542
	276,463,498	254,470,676

31. Interest income

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Interest income from				
- subsidiaries	-	-	554,663	1,085,363
- licensed institutions	1,826,348	1,449,140	40,719	19,332
	1,826,348	1,449,140	595,382	1,104,695

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

32. Other income

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Bad debts recovered	834	-	-	-
Fair value gain on				
- derivative liabilities	187,166	-	-	-
- investment properties	-	902,000	-	-
Gain on disposal of				
- investment property	4,800,000	-	-	-
- property, plant and equipment	153,912	2,322,771	-	-
- unquoted investments	45,216,567	359,938	45,216,567	359,938
Gain on dissolution of a subsidiary	-	888,057	129,989	-
Gain on foreign exchange				
- realised	5,196,875	1,260,596	-	-
- unrealised	588,635	1,422,174	-	-
Rental income	227,250	347,000	-	-
Reversal of impairment loss on				
- advances to subsidiaries	-	-	110,655	1,381,986
- investment in subsidiary	-	-	-	21,493,097
- investment in associates	57,336,804	-	60,549,464	-
- trade receivables (Note 17)	258,454	18,968	-	-
Write-back of inventories	314,328	-	-	-
Other income	2,086,998	1,094,421	926,254	-
	116,367,823	8,615,925	106,932,929	23,235,021

33. Finance costs

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest expense on				
- bank borrowings	11,588,781	12,301,894	10,173,905	10,494,593
- obligation under finance leases	14,611	42,232	-	-
	11,603,392	12,344,126	10,173,905	10,494,593

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

34. Profit/(loss) before tax

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Amortisation of				
- biological assets (Note 8)	614,093	614,093	-	-
- intangible assets (Note 9)	63,210	20,098	-	-
- land use rights (Note 7)	478,314	436,712	-	-
Auditors' remuneration				
- current year	379,950	353,930	96,500	92,000
- other services	8,000	10,340	8,000	8,000
- under provision in prior years	9,336	75,477	4,500	81,500
Bad debts written off	5,956	29	-	-
Depreciation of property, plant and equipment (Note 4)	4,001,928	3,805,938	-	-
Employee benefits expense (Note 38)	82,984,345	77,658,086	35,000	33,500
Fair value loss on				
- derivative liabilities	-	187,166	-	-
- investment properties	1,283,000	-	-	-
Loss on disposal of property, plant and equipment	10,001	35,946	-	-
Impairment loss on				
- advances to associates	31,379	27,038	-	-
- advances to subsidiaries	-	-	1,068,024	9,252,595
- investment in associates	2,729,137	47,091,241	2,729,137	40,389,151
- investment in subsidiaries	-	-	2,400,000	3,000,000
- other receivables (Note 17)	319,646	348,903	-	-
- trade receivables (Note 17)	278,024	409,758	-	-
- unquoted equity investments	-	12,293,999	-	12,293,999
Loss on foreign exchange				
- realised	-	2,077,454	-	-
- unrealised	645,198	176,014	-	-
Operating leases				
- rental of land	978,368	920,817	-	-
- rental of machinery	152,603	139,437	-	-
- rental of premises	1,361,971	1,457,396	-	-
Property, plant and equipment written off	839	5,116	-	-
Write-down of inventories	-	24,231	-	-
Write-off of				
- inventories	35,060	2,080,648	-	-
- investment in associates	272,914	-	272,914	-
- land use rights	517,045	-	-	-
- unquoted equity investments	-	13	-	2

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

35. Income tax expense

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current income tax				
- Malaysian income tax	3,065,199	2,797,743	43,000	157,000
- Foreign tax	1,703,248	3,289,673	-	-
	4,768,447	6,087,416	43,000	157,000
(Over)/under provision in prior years				
- Malaysian income tax	(273,892)	75,469	41,192	42,229
- Foreign tax	(238,621)	108,127	-	-
	4,255,934	6,271,012	84,192	199,229
Deferred tax (Note 23)				
- Relating to origination and reversal of temporary differences	(177,968)	2,969,363	-	-
- (Over)/under provision in prior years	(3,822,206)	122,386	-	-
	(4,000,174)	3,091,749	-	-
Income tax expense recognised in profit or loss	255,760	9,362,761	84,192	199,229

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the year.

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

35. Income tax expense (cont'd)

A reconciliation of income tax expense applicable to profit/(loss) 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	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit/(loss) before tax	133,979,882	(27,316,960)	111,326,791	(26,289,021)
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	32,155,172	(6,556,070)	26,718,430	(6,309,365)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	251,804	610,300	-	-
Expenses not deductible for tax purposes	6,322,329	22,030,142	2,791,706	18,436,183
Income not subject to tax	(28,411,946)	(3,861,124)	(29,467,136)	(11,969,818)
Tax effect of differences in tax rate	(3,233,020)	(1,522,856)	-	-
Utilisation of previously unrecognised deductible temporary differences	(277,951)	(45,606)	-	-
(Over)/under provision of tax expense in prior years	(512,513)	183,596	41,192	42,229
(Over)/under provision of deferred tax in prior years	(3,822,206)	122,386	-	-
Share of results of associates	(2,215,909)	(1,598,007)	-	-
Income tax expense recognised in profit or loss	255,760	9,362,761	84,192	199,229

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

36. Earnings/(loss) per ordinary share

(a) Basic

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

	Group	
	2017	**2016**
	RM	**RM**
Profit/(loss) net of tax attributable to owners of the parent used in the computation of basic earnings per share	132,890,431	(35,156,242)
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)	57.72	(15.27)

(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.

37. Dividends

	Group and Company	
	2017	2016
	RM	RM
Recognised during the financial year		
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
Interim dividend for 2016: 2% single tier dividend on 230,235,015 ordinary shares declared on 25 May 2016 and paid on 29 June 2016 (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 23 May 2017, an interim single-tier dividend in respect of the financial year ended 31 March 2017, 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 2017. 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 2018.

38. Employee benefits expense

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Wages and salaries	70,976,915	67,008,183	35,000	33,500
Contribution to defined contribution plan	3,728,607	3,315,282	-	-
Other benefits	8,278,823	7,334,621	-	-
	82,984,345	77,658,086	35,000	33,500

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM6,208,865 (2016: RM5,773,016) and RM10,000 (2016: RM136,000) respectively as further disclosed in Note 39.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

39. 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	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Executive directors' remuneration				
- Fees	225,686	227,147	-	126,000
- Other emoluments	5,983,179	5,545,869	10,000	10,000
	6,208,865	5,773,016	10,000	136,000
Non-executive directors' remuneration				
- Fees	310,000	228,000	310,000	228,000
- Other emoluments	25,000	23,500	25,000	23,500
	335,000	251,500	335,000	251,500
Total directors' remuneration	6,543,865	6,024,516	345,000	387,500

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

	Number of directors	
	2017 RM	**2016 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
RM1,600,001 - RM1,700,000	1	-
Non-executive directors' remuneration		
RM0 - RM50,000	-	4
RM50,000 - RM100,000	5	1

40. Related party transactions

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Insurance premium paid to a subsidiary of a company with a common director	633,028	597,827	19,378	20,722
Rental paid to a subsidiary of a company with a common director	82,320	82,320	-	-
Fee charged to an associate	(110,027)	(112,775)	-	-
Insurance commission received from a subsidiary of a company with a common director	(126,480)	(168,115)	-	-
Profit sharing from an associate	(470,610)	-	-	-
Rental income received from an associate	(45,600)	(45,600)	-	-
Share registration fees charged to companies with a common director	(608,105)	(486,832)	-	-
Accounting fees charged by a subsidiary	-	-	360,000	360,000
Fee charged by a subsidiary	-	-	128,245	125,024
Management fees charged by a subsidiary	-	-	140,000	240,000
Secretarial fees charged by a subsidiary	-	-	122,262	125,366
Interest charged to subsidiaries	-	-	(554,663)	(1,085,363)

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 and the Company amounted to RM6,208,865 (2016: RM5,773,016) and RM10,000 (2016: RM136,000) respectively as further disclosed in Note 38.

41. Commitments

(a) Capital commitments

	Group	
	2017 RM	2016 RM
Capital expenditure approved and contracted for		
- Property, plant and equipment	11,085,729	12,924,267
- Investment property	71,802	-

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

41. Commitments (cont'd)

(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 (2016: 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.

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

	Group	
	2017	**2016**
	RM	**RM**
Future minimum lease payments		
- Not later than 1 year	1,473,646	1,335,449
- Later than 1 year and not later than 2 years	1,333,646	1,235,449
- Later than 2 year and not later than 5 years	4,021,670	3,306,170
- Later than 5 years	56,356,368	47,194,043
	63,185,330	53,071,111

42. Corporate guarantee

Guarantees

The Company has provided corporate guarantees of RM7,520,598 (2016: RM16,184,653), out of which RM7,263,018 (2016: RM3,472,365) relates to credit facilities granted to subsidiaries as shown in Note 20, 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.

43. 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 2017				
Financial assets				
Investment securities (non-current)				
- unquoted equity instrument, at cost	2,454,630	*	141,576	*
Financial liabilities				
Loans and borrowings (non-current)				
- obligations under finance lease	58,858	56,412	-	-
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	-	-

* 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

43. 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
Amount due from/to subsidiaries	15
Amount due from associates	16
Trade and other receivables	17
Cash and bank balances	18
Trade and other payables	19
Loans and borrowings	
- Revolving credit	20
- Term loans	20
- Bank overdraft	20
- Obligations under finance lease (current)	20

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.

<u>Amount due from/to subsidiaries and associates</u>

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.

<u>Quoted equity instruments</u>

Fair value is determined directly by reference to their published market bid price at the reporting date.

<u>Finance lease obligations</u>

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.

43. 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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

43. Fair value of financial instruments (cont'd)

C. Fair value hierarchy (cont'd)

The Group and the Company held the following financial instruments and investment properties carried at fair value in the statements of financial position:

	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
At 31 March 2017				
Group				
Assets measured at fair value				
Available-for-sale financial assets				
- Equity instruments quoted in Malaysia	189,108,835	189,108,835	-	-
Investment properties	57,122,000	-	445,000	56,677,000
Company				
Assets measured at fair value				
Available-for-sale financial assets				
- Equity instruments quoted in Malaysia	189,108,835	189,108,835	-	-
At 31 March 2016				
Group				
Assets measured at fair value				
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	-	-
Company				
Assets measured at fair value				
Available-for-sale financial assets				
- Equity instruments quoted in Malaysia	208,780,241	208,780,241	-	-

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, Level 2 and Level 3 during the financial year.

44. 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.

(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 42.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

44. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

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 is as follows:

	Group			
	2017		2016	
	RM	% of total	RM	% of total
By country				
Malaysia	25,140,116	78	12,988,707	65
Asia Pacific	7,068,974	22	7,015,796	35
	32,209,090	100	20,004,503	100
By industry sectors				
Textile	20,217,847	63	9,375,704	47
Telecommunications	4,753,303	15	6,564,974	32
Property	206,143	1	110,613	1
Plantation	334,021	1	202,245	1
Others	6,697,776	20	3,750,967	19
	32,209,090	100	20,004,503	100

Financial assets that are neither past due nor impaired

Information regarding trade 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.

44. Financial risk management objectives and policies (cont'd)

(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 75% (2016: 77%) of the Group's loans and borrowings (Note 20) and 77% (2016: 77%) 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 RM117,867,608. The liquidity risk is mitigated by various quoted investment amounting to RM189,108,835 which are classified as long term assets. These quoted investment can be realised to repay the current liabilities when necessary.

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	Total RM
At 31 March 2017			
Group			
Financial liabilities			
Trade and other payables	50,028,632	-	50,028,632
Loans and borrowings	130,981,306	46,903,165	177,884,471
Total undiscounted financial liabilities	181,009,938	46,903,165	227,913,103
Company			
Financial liabilities			
Trade and other payables	832,146	-	832,146
Amount due to subsidiaries	11,372,919	-	11,372,919
Loans and borrowings	128,710,452	40,247,260	168,957,712
Total undiscounted financial liabilities	140,915,517	40,247,260	181,162,777

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

44. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd)

	On demand or within one year RM	One to five years RM	Total RM
At 31 March 2016			
Group			
Financial liabilities			
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
Company			
Financial liabilities			
Trade and other payables	4,366,492	-	4,366,492
Amount 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

(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.

<u>Sensitivity analysis for interest rate risk</u>

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 RM219,305 (2016: RM221,962) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

44. Financial risk management objectives and policies (cont'd)

(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"), Vietnam Dong ("VND") and Rupiah Dollar ("RD"). 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	Rupiah Dollar RM	Others RM
Functional currencies of the Group					
At 31 March 2017					
Cash and bank balances					
Ringgit Malaysia	5,151,402	-	-	2,590,000	8,080
United States Dollars	-	27,328,100	8,894,933	-	109,758
Trade and other receivables					
Ringgit Malaysia	4,034,041	-	-	-	-
United States Dollars	-	3,503,852	178,847	-	-
Trade and other payables					
Ringgit Malaysia	(1,125,658)	-	-	-	(6,448)
United States Dollars	-	(16,239,373)	(821,532)	-	-
At 31 March 2016					
Cash and bank balances					
Ringgit Malaysia	22,813,698	-	-	-	34,688
United States Dollars	-	18,826,707	4,859,496	-	114,584
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)	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

44. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

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.

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, SGD and VND exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		2017	2016
		Profit net of tax (Decrease)/Increase	
		RM	RM
USD/RM	- strengthened 2%	161,196	615,957
	- weakened 2%	(161,196)	(615,957)
SGD/RM	- strengthened 2%	165,045	83,196
	- weakened 2%	(165,045)	(83,196)
VND/RM	- strengthened 2%	291,852	350,639
	- weakened 2%	(291,852)	(350,639)

(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 investments (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 RM3,782,177 (2016: RM4,175,605) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as other investments.

45. 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 ended 31 March 2017 and 31 March 2016.

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	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Loans and borrowings	20	170,923,416	203,718,180	163,400,000	199,850,000
Trade and other payables	19	50,028,632	32,033,942	832,146	4,366,492
Amount due to subsidiaries	15	-	-	11,372,919	12,023,412
Less: Cash and bank balances	18	(125,027,081)	(100,487,468)	(7,104,938)	(1,171,582)
Net debt		95,924,967	135,264,654	168,500,127	215,068,322
Equity attributable to the owners of the parent		678,486,818	560,100,245	591,688,526	504,722,033
Less: Fair value reserve	26	(70,203,356)	(89,874,762)	(70,203,356)	(89,874,762)
Total capital		608,283,462	470,225,483	521,485,170	414,847,271
Capital and net debt		704,208,429	605,490,137	689,985,297	629,915,593
Gearing ratio		14%	22%	24%	34%

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

46. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four 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 telecommunication segment is involved in designing, manufacturing and distributing telecommunication products.

III. The property segment is in the business of developing and leasing out residential and commercial properties as well as property management services.

IV. Other segments include managing and operating oil palm plantation, importing and distributing of trucks, investment holding, management of a golf course 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

46. Segment information (cont'd)

31 March 2017	Textile RM	Tele-communications RM	Properties RM	Other operations RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue							
External customers	249,465,368	47,309,752	5,654,828	40,121,041	-		342,550,989
Inter-segment	-	-	360,342	14,498,600	(14,858,942)	A	-
Total revenue	249,465,368	47,309,752	6,015,170	54,619,641	(14,858,942)		342,550,989
Results							
Interest income	1,366,658	123,397	167,592	168,701	-		1,826,348
Dividend income	-	-	-	9,044,658	-		9,044,658
Depreciation and amortisation	1,871,288	1,024,874	384,664	1,876,719	-		5,157,545
Share of results of associates	-	-	84,722	9,148,231	-		9,232,953
Other non-cash expenses	(5,048,265)	255,979	1,621,998	(45,254,005)	-	B	(48,424,293)
Segment profit/(loss)	28,097,901	2,781,247	(422,683)	105,893,856	(2,370,439)	C	133,979,882
Assets							
Investment in associates	-	-	3,605,878	-	302,421,913		306,027,791
Additions to non-current assets	15,628,323	6,928,050	4,659	105,132	-	D	22,666,164
Segment assets	164,959,971	50,451,459	114,843,360	287,919,632	309,439,146	E	927,613,568
Segment liabilities	22,061,494	3,593,466	8,309,103	16,064,569	184,280,278	F	234,308,910

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

46. Segment information (cont'd)

31 March 2016	Textile RM	Tele-communications RM	Properties RM	Other operations RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue							
External customers	218,258,229	55,380,955	4,483,621	41,320,844	-		319,443,649
Inter-segment	-	-	367,895	23,261,458	(23,629,353)	A	-
Total revenue	218,258,229	55,380,955	4,851,516	64,582,302	(23,629,353)		319,443,649
Results							
Interest income	1,243,333	54,757	93,444	57,606	-		1,449,140
Dividend income	-	-	-	11,038,029	-		11,038,029
Depreciation and amortisation	1,771,831	846,418	409,317	1,849,275	-		4,876,841
Share of results of associates	-	-	(43,729)	6,702,090	-		6,658,361
Other non-cash expenses	(623,687)	208,350	(2,855,716)	12,918,968	-	B	9,647,915
Segment profit/(loss)	28,466,634	2,581,499	2,387,102	(55,066,430)	(5,685,765)	C	(27,316,960)
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	285,379	-	D	10,989,804
Segment assets	141,697,415	38,589,846	99,239,201	312,067,989	239,575,804	E	831,170,255
Segment liabilities	13,029,476	2,243,023	4,685,734	28,064,860	210,256,119	F	258,279,212

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

46. 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	Group 2017 RM	Group 2016 RM
Bad debts written off	34	5,956	29
Gain on disposal of			
- investment property	32	(4,800,000)	-
- property, plant and equipment		(143,911)	(2,286,825)
- unquoted investments	32	(45,216,567)	(359,938)
Gain on dissolution of a subsidiary	32	-	(888,057)
Impairment loss on			
- other receivables	34	319,646	348,903
- trade receivables	34	278,024	409,758
- unquoted equity investments	34	-	12,293,999
Net fair value (gain)/loss on			
- derivative liabilities/assets		(187,166)	187,166
- investment properties		1,283,000	(902,000)
Net unrealised loss/(gain) on foreign exchange		56,563	(1,246,160)
Property, plant and equipment written off	34	839	5,116
Reversal of impairment loss on trade receivables	32	(258,454)	(18,968)
Write-back of inventories	32	(314,328)	-
Write-down of inventories	34	-	24,231
Write-off of			
- inventories	34	35,060	2,080,648
- land use rights	34	517,045	-
- unquoted equity instrument	34	-	13
		(48,424,293)	9,647,915

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

46. 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 "profit/(loss) before tax" presented in the consolidated statement of comprehensive income:

	Group	
	2017 **RM**	**2016** **RM**
Finance costs	(11,603,392)	(12,344,126)
Share of results of associates	9,232,953	6,658,361
	(2,370,439)	(5,685,765)

D Additions to non-current assets consist of:

	Group	
	2017 **RM**	**2016** **RM**
Property, plant and equipment	22,542,614	7,115,999
Land held for property development	4,659	5,322
Land use rights	118,891	3,675,418
Intangible assets	-	193,065
	22,666,164	10,989,804

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group	
	2017 **RM**	**2016** **RM**
Intangible assets	281,591	315,288
Investment in associates	306,027,791	237,043,468
Tax recoverable	3,129,764	2,217,048
	309,439,146	239,575,804

46. 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:

	Group	
	2017 RM	2016 RM
Current tax payable	701,534	1,337,332
Deferred tax liabilities	1,232,297	5,200,607
Loans and borrowings	170,923,416	203,718,180
Deferred income	11,423,031	-
	184,280,278	210,256,119

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	
	2017 RM	2016 RM	2017 RM	2016 RM
Malaysia	273,437,126	251,002,651	355,617,140	337,720,643
Asia Pacific	69,113,863	68,440,998	25,585,851	9,685,331
	342,550,989	319,443,649	381,202,991	347,405,974

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Group	
	2017 RM	2016 RM
Property, plant and equipment	88,858,428	28,287,405
Investment properties	57,122,000	62,705,000
Land held for property development	11,780,734	11,776,075
Land use rights	25,123,614	26,000,082
Biological assets	6,473,159	7,087,252
Intangible assets	281,591	315,288
Other investments	191,563,465	211,234,872
	381,202,991	347,405,974

Information about a major customer

The Group does not generate revenue from any one major customer.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

47. Significant events during the financial year and subsequent to the end of the reporting period

a) Discontinued operation and disposal group held for sale

In prior year, the assets and liabilities related to MWE Golf & Country Club Berhad ("MGCCB") and long term leasehold land of Melati Mewah Sdn. Bhd. ("MMSB") have been presented in the statements 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 statements of comprehensive income as "Loss from discontinued operation, net of tax"

This is in line with the Group's strategy to dispose off its non-core businesses and loss-making companies with the following disposals for a total consideration of RM70.1 million via the respective agreements were entered on 5 May 2016.

i) Land Sale and Purchase Agreement entered between MMSB and Pristine Primavera Sdn. Bhd. ("PPSB") for the disposal of its nine (9) pieces of leasehold lands, all located in the Mukim of Raja, District of Petaling, Selangor Darul Ehsan; and

ii) Share Sale and Purchase Agreement between the Company and Saujana Setara Sdn. Bhd. for the disposal of its entire shareholding of 25,000,000 ordinary shares in MGCCB.

Subsequently, with the Group's objective to enhance the potential returns of MMSB (being the owner) as well as to unlock and maximise the value of its lands, the above said disposals were re-negotiated and both parties, namely, MMSB and PPSB had decided to undertake a Proposed Joint Development to jointly develop the abovementioned nine (9) pieces of leasehold lands into a mixed use development comprising residential and commercial properties by entering into a Joint Development Agreement ("JDA") on 30 November 2016.

The JDA was entered with mutual agreement and benefits to be enjoyed by both parties and further, based on the terms of the JDA, MMSB is guaranteed a Minimum Owners' Entitlement of RM180.0 million for cash collected from the sales of residential and commercial properties throughout the entire 10-year period instead of an outright sale of RM70.1 million.

The Proposed Joint Development tabled at the Extraordinary General Meeting on 23 May 2017 was duly passed by the shareholders of the Company.

Accordingly, the related assets and liabilities are no longer classified as disposal group held for sale as at 31 March 2017.

47. Significant events during the financial year and subsequent to the end of the reporting period (cont'd)

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

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 were as follows:

	Group 2016 RM
Assets of disposal group classified as held for sale	
Property, plant and equipment	43,361,346
Inventories	20,939
Trade and other receivables	879,487
Prepayments	264,254
Cash and bank balances	497,076
	45,023,102
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

b) Significant decline in the market price of a quoted investment

Subsequent to the reporting date, the share price of a quoted investment has decreased by RM0.40 from RM2.13 as at 31 March 2017 to RM1.73 as at reporting date which represents changes in fair value in quoted shares classified as available for sale of RM26.41 million.

48. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 3 July 2017.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017 (cont'd)

49. 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 2017 and 31 March 2016 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	
	2017 RM	2016 RM	2017 RM	2016 RM
Total retained earnings of the Company and its subsidiaries				
- Realised profit	261,101,602	123,882,514	268,270,694	161,632,795
- Unrealised profit	5,654,492	4,588,349	-	-
	266,756,094	128,470,863	268,270,694	161,632,795
Total share of retained profits from associates				
- Realised loss	(9,855,769)	(19,088,722)	-	-
	256,900,325	109,382,141	268,270,694	161,632,795
Add: Consolidation adjustments	76,096,092	91,643,649	-	-
Retained earnings as per financial statements	332,996,417	201,025,790	268,270,694	161,632,795

TOP 10 LIST OF PROPERTIES HELD BY MWE GROUP

Particulars of Titles	Tenure	Land Area	Description/ Existing Use	Net Book Value as at 31.03.2017 (RM)	Approximate Age of Building	Year of Acquisition
H.S.(D) 139105 & 139228 PT 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	42,384,468	19 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	33,250,000	21 years	1990
H.S. (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	19,747,046	-	2008
Lot 1233 Grant (1st Grade) 11818 Section 1, Georgetown Daerah Timur Laut, Penang	Freehold	150,910 sq. ft.	8 storey office building	18,377,000	24 years	1988 to 2011
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	7,453,758	-	2010
Geran 25978 & 26200 Lot 4019 & 4478 Mukim Setapak Daerah Kuala Lumpur Wilayah Persekutuan	Freehold	3,422 sq. m.	Property development	6,182,792	-	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	3,882,695	28 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.	Factory building (under construction)	3,742,101	-	2015
Lot 459 & 462 Hakmilik GM (1ST Grade) 355 & GM18, Mukim 7 Tempat Pulau Betong Daerah Barat Daya Penang	Freehold	59,715.13 sq. m.	Vacant land	3,700,000	-	2010

ANALYSIS OF SHAREHOLDINGS
AS AT 11 JULY 2017

Class of Security	:	Ordinary Shares
Authorised Share Capital	:	RM500,000,000
Total Issued and Paid-up Capital	:	RM231,559,015
Voting Right	:	1 vote per share
Number of Shareholders	:	5,942

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 – 99	68	1.14	1,844	0.00
100 – 1,000	1,625	27.35	1,517,847	0.66
1,001 – 10,000	3,460	58.23	13,986,758	6.04
10,001 – 100,000	676	11.38	18,236,050	7.87
100,001 – 11,577,951	110	1.85	102,427,494	44.23
11,577,952 and above	3	0.05	95,389,022	41.20
Total	**5,942**	**100.00**	**231,559,015**	**100.00**

Directors' Shareholdings

Name	No. of shares held*			
	Direct	%*	Indirect	%*
Tan Sri Dato' Surin Upatkoon	-	-	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	-	-
Tan Chor Teck	470,000	0.20	10,119,280 (d)	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 by virtue of Section 8(4) of the Companies Act, 2016 ("the Act") held through Pinjaya Sdn Bhd, Casi Management Sdn Bhd and Magnum Berhad and his indirect interest held through his spouse pursuant to Section 59(11) of the Act.*

(b) *Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 ("the Act") held through Idea Kosmo Sdn Bhd and his indirect interest held through his spouse pursuant to Section 59 (11) of the Act.*

(c) *Held through his spouse pursuant to Section 59(11) of the Companies Act, 2016.*

(d) *Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 ("the Act") held through Simansu Sdn Bhd and his indirect interest held through his father pursuant to Section 197(1) of the Act.*

ANALYSIS OF SHAREHOLDINGS
AS AT 11 JULY 2017 (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.	MAYBAN NOMINEES (TEMPATAN) SDN BHD *Qualifier: Pledged Securities Account for Tang King Hua*	9,164,500	3.96
6.	HSBC NOMINEES (ASING) SDN BHD *Qualifier: Exempt an for Credit Suisse (SG BR-TST-ASING)*	8,617,100	3.72
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *Qualifier: CIMB for Simansu Sdn Bhd*	8,058,000	3.48
8.	CITIGROUP NOMINEES (ASING) SDN BHD *Qualifier: Exempt an for UBS AG Singapore (Foreign)*	6,000,000	2.59
9.	PANG TEE CHEW	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.	TAN TOH HUA	1,635,000	0.71
18.	MWE HOLDINGS BERHAD *Qualifier: Share Buy-Back Account*	1,324,000	0.57
19.	MIKDAVID SDN BHD	1,300,000	0.56
20.	LIM KUAN GIN	1,250,000	0.54

ANALYSIS OF SHAREHOLDINGS
AS AT 11 JULY 2017 (cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name of shareholders	No. of shares held	% of shares
21.	UOB KAY HIAN NOMINEES (ASING) SDN BHD *Qualifier : New Kota Credit Sdn Bhd for Trade Key Investments Limited*	1,002,000	0.43
22.	T C HOLDINGS SENDIRIAN BERHAD	900,000	0.39
23.	YEAP LEONG PENG	900,000	0.39
24.	CIMSEC NOMINEES (ASING) SDN BHD *Qualifier: Danaharta Managers Sdn Bhd*	788,392	0.34
25.	GOLDEN BAY HOLDING SDN BHD	743,000	0.32
26.	NG KWENG THEAM	734,900	0.32
27.	PAULINE TAN SUAT MING HOLDINGS SDN BHD	730,700	0.32
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *Qualifier : Pledged Securities Account for ABM Holdings Sdn Bhd*	700,000	0.30
29.	KHOO SU CHIN	640,000	0.28
30.	TEO KWEE HOCK	600,100	0.26
		177,887,714	**76.82**

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	-	-	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 by virtue of Section 8(4) of the Companies Act, 2016 ("the Act") held through Pinjaya Sdn Bhd, Casi Management Sdn Bhd and Magnum Berhad and his indirect interest held through his spouse pursuant to Section 59(11) of the Act.*

(b) *Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 ("the Act") held through Idea Kosmo Sdn Bhd and his indirect interest held through his spouse pursuant to Section 59 (11) of the Act.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING ("AGM")** of the Company will be held at United Sweethearts Garment Sdn Bhd's Office at No. 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang on Wednesday, 30 August 2017 at 10.30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 March 2017 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)	Tan Sri Dato' Surin Upatkoon	Article 109	(Resolution 1)
(ii)	Dato' Lawrence Lim Swee Lin	Article 109	(Resolution 2)

3. To approve the payment of Directors' fees amounting to RM70,000/- per annum for the Non-Executive Chairman and RM60,000/- per annum for each of the Non-Executive Directors in respect of the financial year ended 31 March 2017. (Resolution 3)

4. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM50,000/- from 1 April 2017 until the next AGM of the Company. (Resolution 4)

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

As Special Business:
To consider and, if thought fit, pass the following Ordinary Resolutions:-

6. **CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

"**THAT** subject to the passing of Resolution 2, 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 6)

7. **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 7)

8. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

"**THAT** subject always to the Companies Act, 2016, the Company's Articles of Association and approval of the relevant government/regulatory authorities, 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 8)

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

9. 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
Kuala Lumpur
28 July 2017

NOTES TO THE AGENDA

Agenda 1- Directors' Report, Audited Financial Statements and Auditors' Report

This Agenda is meant for discussion only. The provisions of Section 340 (1) of the Companies Act, 2016 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.

Agenda 3 & 4 – Payment of Directors' Fees and Directors' Remuneration

The breakdown and details of the Directors' Fees and Directors' Remuneration are stated in the Corporate Governance Statement under page 26 of the Annual Report 2017.

NOTES RELATING TO THE REGISTRATION AND PROXY

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 30.02, 30th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur 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 23 August 2017 shall be eligible to attend the Annual General Meeting.*

EXPLANATORY NOTES ON SPECIAL BUSINESS

RESOLUTION 6 & 7 - Continuation in Office as Independent Non-Executive Directors

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 until the conclusion of the next Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

RESOLUTION 8 - Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016
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 26 August 2016 and which will lapse at the conclusion of the Annual General Meeting held on 30 August 2017.

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.

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.

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MWE HOLDINGS BERHAD (5713-D)
(Incorporated in Malaysia)
Registered Office : 30.02, 30th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur

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 United Sweethearts Garment Sdn Bhd's Office at No. 846, Jalan Besar, Sungai Bakap, 14200 Sungai Jawi, Pulau Pinang on Wednesday, 30 August 2017 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 Tan Sri Dato' Surin Upatkoon as Director of the Company				
2.	To re-elect Dato' Lawrence Lim Swee Lin as Director of the Company				
3.	To approve the payment of Directors' fees				
4.	To approve the payment of Directors' remuneration for the period from 1 April 2017 until the next Annual General Meeting of the Company				
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company				
6.	To retain Dato' Lawrence Lim Swee Lin as Independent Non-Executive Director of the Company				
7.	To retain Mr Tan Chor Teck as Independent Non-Executive Director of the Company				
8.	To authorise the Directors to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016				

* 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 .... 2017.

....
Signature of Witness Signature of Shareholder (s) / Common Seal
Name :

Notes:

A. This Agenda is meant for discussion only. The provisions of Section 340 (1) of the Companies Act, 2016 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 authorized.

4. The instrument appointing a proxy must be deposited at the Company's Registered Office at 30.02, 30th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur 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 23 August 2017 shall be eligible to attend the Annual General Meeting.

Fold this flap for sealing

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.

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AFFIX
STAMP

The Company Secretary

MWE HOLDINGS BERHAD

30.02, 30th Floor, Menara Multi-Purpose
Capital Square, No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

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MWE HOLDINGS BERHAD (5713-D)
30.02, 30TH FLOOR, MENARA MULTI-PURPOSE
CAPITAL SQUARE, NO. 8, JALAN MUNSHI ABDULLAH, 50100 KUALA LUMPUR
TEL : 603-2698 3232 FAX : 603-2698 0313