

# Pan Malaysia Holdings Berhad

Company No: 95469 - W

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## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fourth Annual General Meeting of the Company will be held at Rembau Room, Corus Paradise resort Port Dickson, 3.5km, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan Darul Khusus on Thursday, 30 November 2017 at 4.30 p.m. for the following purposes:-

### As Ordinary Business

1. To receive the audited financial statements together with the Reports of the Directors and Auditors thereon for the financial year ended 30 June 2017.
2. To approve the payment of Directors' fees of RM100,572 for the financial year ended 30 June 2017. **Resolution 1**
3. To approve the payment of Directors' Benefits (other than Directors' Fees) of up to RM62,000 for the period from 1 February 2017 until the next Annual General Meeting. **Resolution 2**
4. To re-appoint Dr Wong Hong Meng as Director of the Company. **Resolution 3**
5. To re-elect Puan Farizon binti Ibrahim, who is retiring in accordance with Article 111 of the Company's Articles of Association. **Resolution 4**
6. To re-appoint Messrs Crowe Horwath 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 resolution:-

7. Ordinary Resolution  
- Proposed authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016  
  
"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being." **Resolution 6**
8. To transact any other business of which due notice shall have been received.

By order of the Board

Lee Chik Siong  
Norlyn binti Kamal Basha  
*Joint Company Secretaries*

Kuala Lumpur  
31 October 2017

*Notes:-*

1. *Only a member whose name appears on the Record of Depositors as at 20 November 2017 shall be entitled to attend and vote at the meeting. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.*
2. *A member entitled to attend and vote shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary share of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from the compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991.*
3. *Where a member and/or an exempt authorised nominee, appoint two or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
4. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
5. *The Form of Proxy must be deposited at the registered office of the Company at Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment hereof.*
6. *Pursuant to the Bursa Securities Main Market Listing Requirements, all resolutions set out in this Notice will be put to vote by way of poll.*

## EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

1. The Ordinary Resolution proposed under item 4, if passed, will authorise the continuation of Dr Wong Hong Meng as Director of the Company from the date of the Thirty-Fourth Annual General Meeting and he shall be subject to retirement by rotation at least once in every three (3) years thereafter in accordance with the Articles of Association of the Company.

Dr Wong Hong Meng was re-appointed as Director of the Company at the Thirty-Third Annual General Meeting held on 1 December 2016 to hold office until the conclusion of the Thirty-Fourth Annual General Meeting under Section 129(6) of the then Companies Act 1965, which the provision has since been repealed.

2. The Ordinary Resolution proposed under item 7 is a renewal of the general authority for the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016. If passed, it will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued and paid-up share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

The Company has not issued any new shares under the general authority which was approved at the Thirty-Third Annual General Meeting held on 1 December 2016 and which will lapse at the conclusion of the Thirty-Fourth Annual General Meeting to be held on 30 November 2017.

The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

## CORPORATE INFORMATION

### Board of Directors

Dr Wong Hong Meng, *Independent Non-Executive Chairman*  
Farizon binti Ibrahim, *Independent Non-Executive Director*  
Wong Nyen Faat, *Non-Independent Non-Executive Director*

### Joint Company Secretaries

Lee Chik Siong (MAICSA 7054334)  
Norlyn binti Kamal Basha (BC/N/1224)

### Auditors

Crowe Horwath (AF : 1018) Chartered Accountants

### Principal Bankers

Affin Islamic Bank Berhad  
AmBank (M) Berhad  
Malayan Banking Berhad

### Registrar

Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur  
Tel No. 03 - 27839299 Fax No. 603 - 27839222

### Registered Office

Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur  
Tel No: 03-21487696 Fax No: 03-21445209 Website: [www.pmholdings.com.my](http://www.pmholdings.com.my)

## PROFILE OF DIRECTORS

### Dr Wong Hong Meng

Age 71. Male. Independent Non-Executive Chairman. He was appointed to the Board on 4 October 2011 and subsequently re-designated to Chairman of the Board on 21 February 2017. He is the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee. He is also an independent non-executive director and member of the Investment Committee of TA Investment Management Berhad and a director of Malayan United Industries Berhad, MUI Continental Berhad and Full Gospel Business Men's Fellowship Berhad. He is a Chartered Accountant member of the Malaysian Institute of Accountants and an Associate of the Institute of Chartered Secretaries and Administrators. Professionally he was a Fellow of the Institute of Chartered Accountant in England and Wales. For more than thirty years, he had held senior management positions in management consultancy, merchant banking, commercial banking and stock broking. In January 1999, he took early retirement from his employment career as Executive Director of TA Enterprise Berhad. After retirement, he remained active in the business world and had served as an independent non-executive director and chairman of the audit committee of two companies listed on Bursa Securities Malaysia Berhad. He is an economics graduate from University of Malaya with an MBA from Cranfield School of Management, and earned his DBA from University of South Australia in 2007. He attended all the four (4) Board Meetings held during the financial year ended 30 June 2017.

### Wong Nyen Faat

Age 60. Male. Non-Independent Non-Executive Director. He was appointed to the Board on 22 June 2011. He is a member of the Audit Committee. He is the Chief Operating Officer of MUI Group and the Executive Director of Pan Malaysia Corporation Berhad. He also sits on the Board of Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad, Metrojaya Berhad, Laura Ashley Holdings plc and Corus Hotels Limited. He had served as Executive Director of Morning Star Resources Limited in Hong Kong. He holds a First Class Honours Bachelor's Degree in Science (Mathematics) with Education from the University of Malaya and a Master's Degree in Business Management from the Asian Institute of Management. He attended all the four (4) Board Meetings held during the financial year ended 30 June 2017.

### Farizon binti Ibrahim

Age 60. Female. Independent Non-Executive Director. She was appointed to the Board on 25 October 2011. She is a member of the Audit Committee, Nomination Committee and Remuneration Committee. She also sits on the Boards of Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad and Metrojaya Berhad. She is the Advisor for EL Wafa Travel Services Sdn Bhd. She had worked with Tabung Haji Kuala Lumpur from 1980 to 1985 and was subsequently attached to Tabung Haji Saudi Arabia under the auspices of the Embassy of Malaysia from 1986 to 1992. She was appointed as the Councillor in the Haj Welfare Division in Tabung Haji Jeddah to assist pilgrims who need counselling during the Haj period in Saudi Arabia. She was also the Public Relation Manager of the Malaysian Women's Association Club of Jeddah. She handled the activities of the Club that includes public relation with various Government, Corporate and other associations in Saudi Arabia. She also played an important role in the International Women's Association of Jeddah in the affairs of Welfare and Charity work. Formerly, she was the Chief Executive Officer of FDI Travel Services Sdn Bhd. Her exposure and experience in trade and travel began while working for the family-owned businesses. She is a graduate in Accountancy and Business Management Studies. She attended three (3) out of the four (4) Board Meetings held during the financial year ended 30 June 2017.

#### Note: -

*Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of the Company. None of the Directors has any conflict of interest with the Company nor have they been convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2017.*

*All the Directors are Malaysians.*

## PROFILE OF KEY SENIOR MANAGEMENT

### **Raymond Yeoh Huat Hock**

Age 62. Male. He is Executive Director of the Group's Hotel Division (Malaysia). He joined the Group's Hotel Division (Malaysia) as Vice President in August 2012. He has a Diploma in Hotel Management from the American Hotel & Motel Association. He has over 40 years of experience in hotel industry. He worked with the Holiday Inns in Kuala Lumpur, Penang and Hong Kong and has extensive hotel pre-opening experience with Equatorial Penang and the Swiss Garden International Group. He also had worked with 5-star Padma hotel in Bali, Indonesia. In 1994, he was appointed as General Manager to pre-open two Swiss Garden hotels and subsequently was appointed as Vice President (Operations) of the Swiss Garden International Group.

### **Wong Shuk Fuen**

Age 47. Female. She is the Group Financial Controller. She joined the MUI Group as Financial Controller in October 2014. She has 23 years of experience in accounting and finance, and is a member of the Chartered Institute of Management Accountants, the United Kingdom and a member of the Malaysian Institute of Accountants. She started her career as Accounts Officer at Guolene Plastic Products Sdn Bhd before moving on to various accounting and financial positions in Kenneison Brothers Group. Prior to joining the MUI Group, she was Vice President of AlloyMtd Group.

### **Noraini Ahmad**

Age 40. Female. She joined Corus Hotels (Malaysia) as Director of Sales in June 2016. She has a Diploma in Business Management of Cadas Business School. She has over 20 years of sales and market development experience in hospitality industry. She was Assistant Director of Sales at Vistana Hotels Kuala Lumpur and Sales Manager of Borneo Convention Centre in Kuching from 2011 to 2014. Prior to joining Corus Hotels, she was Assistant Director of Sales at Swiss-Garden Hotel Kuala Lumpur.

#### *Note: -*

*Save as disclosed, none of the Key Senior Management have any family relationship with any Director and/or major shareholder of the Company. None of the Key Senior Management have any conflict of interest with the Company nor have they been convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2017.*

*All the Key Senior Management are Malaysians.*

## STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) is committed to the principles of corporate governance set out in the Malaysian Code on Corporate Governance. The Board is also committed in continuously observing corporate governance practices that are best suited to achieve the objectives and goals of the Company.

In implementing the corporate governance practices, the Company ensures compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Corporate Governance Statement reports on how the Company has applied the principles and recommendations of good corporate governance during the financial year ended 30 June 2017, having considered the Group’s structure, business environment and industry practices.

The Board will continuously evaluate the status of the Group’s corporate governance practices and procedures with a view to adopt and implement the recommendations of the Code wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the principles and recommendations of the Code.

Set out below is the description on the manner in which the Company has applied the principles and recommendations of the Code.

### 1. Board of Directors

#### 1.1 Composition of Board

The Board is responsible for the overall performance of the Company and focuses mainly on strategy, performance, standard of conduct and critical business issues.

The Board currently consists of three (3) Directors:-

- One (1) Independent Non-Executive Chairman
- One (1) Independent Non-Executive Director
- One (1) Non-Independent Non-Executive Director

The Board complies with the Bursa Securities Listing Requirements that requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be independent Directors.

The Board has reserved certain material matters for the collective review and decision by the Board. The roles and contributions of independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board. Matters reserved for the Board include but are not limited to the following:-

- (a) Group’s business strategy and business plan;
- (b) Annual budgets, including major capital commitments;
- (c) Material acquisition and disposal of assets; and
- (d) Changes to the senior management and control structure

The Management is accountable to the Board for the Company’s performance and is required to report regularly to the Board on the progress made by the Company’s business units.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group’s businesses. A brief description of the background of each Director is presented in page 5 of the Annual Report.

Dr Wong Hong Meng has been identified as the Senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 1. Board of Directors (Cont'd)

#### 1.1 Composition of Board (Cont'd)

The Board recognises the importance of gender, age and ethnic diversity in the composition of the Board. The Board currently does not have any gender, age and ethnic policies. The Board believes that candidature to the Board should be based on a candidate's skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position.

The Board has formed different Board committees, in support of independent oversight of management that operate within the defined terms of reference. These committees are:-

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Report of the Audit Committee for the financial year ended 30 June 2017 is set out in pages 20 to 21 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out in Section 2.2 and Section 2.3 respectively of this Statement.

#### 1.2 Independence of Directors

The Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, upon completion of the nine years, the Independent Director may continue to serve the Board subject to shareholders' approval.

The Board will continuously evaluate from time to time the independence of each of its Independent Directors. In this regard, the Board will be guided by the criteria set out in the Bursa Securities Listing Requirements.

#### 1.3 Board Charter and Code of Ethics & Conduct

The Board has established a Board Charter which prescribes, among other things, the roles of the Board, schedule of matters reserved for the Board's collective decision and a Code of Ethics and Conduct.

The Directors conduct themselves with the highest ethical standards. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company.

The Board Charter is subject to review by the Board from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current laws and practice.

The Board Charter was adopted by the Company on 17 May 2013. The Board Charter is available on the Company's corporate website at [www.pmholdings.com.my](http://www.pmholdings.com.my)

#### 1.4 Board Meetings

The Board meets at least four (4) times a year, with additional meetings convened as necessary. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda typically reaches the Board at least two (2) weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

Four (4) Board Meetings were held during the financial year ended 30 June 2017. Details of the attendance of the Directors are set out in the Profile of Directors appearing in pages 5 of the Annual Report.

## 1. Board of Directors (Cont'd)

### 1.5 Appointments to the Board

The Nomination Committee is responsible in identifying and evaluating potential candidates based on their skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position before making any recommendation to the Board for approval of the appointment. The proposed appointment of each new Director will be deliberated by the Board based on the recommendation by the Nomination Committee.

The Board has taken note of the recommendation in the Code pertaining to the establishment of board gender diversity policy. The Board recognises the importance of boardroom diversity and aims to ensure diversity in its composition. The Board currently has one (1) female Director.

The Directors have direct access to the services of the Joint Company Secretaries who are responsible for ensuring that all appointments are properly made and all necessary information are obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 2016, Bursa Securities Listing Requirements and other regulatory requirements.

### 1.6 Re-election of Directors

In accordance with the Company's Articles of Association, Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment.

The Company's Articles of Association provide that at every Annual General Meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office and shall be eligible for re-election. The Company's Articles of Association further provide that subject to the provisions of any contract between a Managing Director and the Company, all Directors shall retire from office at least once in every three years and shall be eligible for re-election.

### 1.7 Directors Remuneration

The Remuneration Committee will review the remuneration of the Directors and submit its recommendations to the Board for approval. The individual director concerned will abstain from discussion of their own remuneration. Directors' fees are approved at the Annual General Meeting by the shareholders.

For the financial year ended 30 June 2017, the aggregate of remuneration of the Directors received from the Company and the Group's subsidiaries are categorised into appropriate components and is as follows:-

| <i><b>Directors'<br/>Remuneration</b></i> | <i><b>Fees<br/>RM'000</b></i> | <i><b>Allowance<br/>RM'000</b></i> | <i><b>Total<br/>RM'000</b></i> |
|---|-------------------------------|------------------------------------|--------------------------------|
| <b>Group</b>                              |                               |                                    |                                |
| Executive Directors                       | -                             | -                                  | -                              |
| Non-Executive Directors                   | 108                           | 14                                 | 122                            |
|   | 108                           | 14                                 | 122                            |
| <b>Company</b>                            |                               |                                    |                                |
| Executive Directors                       | -                             | -                                  | -                              |
| Non-Executive Directors                   | 108                           | 14                                 | 122                            |
|   | 108                           | 14                                 | 122                            |

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 1. Board of Directors (Cont'd)

#### 1.7 Directors Remuneration (Cont'd)

The number of Directors of the Company whose remuneration during the period falls within the respective bands are as follows:-

| <i>Range of Remuneration</i> | <i>Group</i>               |                                | <i>Company</i>             |                                |
|------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
|                              | <i>Executive Directors</i> | <i>Non-Executive Directors</i> | <i>Executive Directors</i> | <i>Non-Executive Directors</i> |
| Below RM50,000               | -                          | 3                              | -                          | 3                              |
| RM50,001 to RM100,000        | -                          | -                              | -                          | -                              |
|                              | -                          | 3                              | -                          | 3                              |

#### 1.8 Supply of Information

The Board has unrestricted access to information necessary for the furtherance of their duties.

The Board is also updated by the Joint Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

Board papers are distributed to Board members prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

All Directors have access to the advice and services of the Joint Company Secretaries and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.

#### 1.9 Qualified and Competent Company Secretary

The Board is supported by two (2) Joint Company Secretaries that are qualified to act as Company Secretary under Section 235(2) of the Companies Act, 2016. One of them is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") whilst the other is a member of the Malaysian Bar. The Joint Company Secretaries play an advisory role to the Board in relation to the Company's compliances with relevant regulatory requirements, guidelines and legislation. The Joint Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference.

The Joint Company Secretaries facilitate the orientation of new Directors besides coordinating the directors' training and development. The Joint Company Secretaries ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented. The Joint Company Secretaries constantly keep themselves up-to-date through continuous training of the regularly evolving capital market environment, regulatory changes and developments in Corporate Governance.

#### 1.10 Directorships in Other Companies

In accordance with the Bursa Securities Listing Requirements, each member of the Board holds not more than five (5) directorships in public listed companies. Prior to acceptance of any other appointment for directorships in other public listed companies, the Directors are required to consult with the Chairman to ensure that the acceptance of the new directorships would not affect their commitments and responsibilities to the Group. Any acceptance of new directorship must be notified to the Company immediately and the Board is informed on all changes to the directorships held by the Directors at the following Board meeting.

## 1. Board of Directors (Cont'd)

### 1.11 Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. During the financial year, all the Directors have attended annual training which aims to assist them in the discharge of their duties as Directors.

For the financial year under review, Dr Wong Hong Meng and Mr Wong Nyen Faat had attended a training on the subject of "What Directors Need to Know On Reporting & Disclosure Obligations To Prevent Public Reprimand & Fines By The Regulators". The training was organised by the Company and held in-house. Apart from the in-house training, Dr Wong Hong Meng also attended trainings programme on the subject of "The Cybersecurity Threat and How Board Should Mitigate The Risks" and "Sustainability Reporting" whilst Puan Farizon binti Ibrahim had attended training programme on the subject of "Changes Affecting Directors Under the Companies Act, 2016".

Mr Wong Nyen Faat also attended the Capital Market Director Programme organised by Securities Industry Development Corporation.

The Directors were also encouraged to attend various training programmes and seminars which they feel may be conducive to ensure that they are kept abreast on various aspects related to business of the Group and its regulations, compliance, risk management and sustainability.

## 2. Board Committees

### 2.1 Audit Committee

The Audit Committee comprises exclusively Non-Executive Directors, and majority are Independent Directors. The members of Audit Committee are as follows:-

|          |                       |  |
|----------|-----------------------|--|
| Chairman | Dr Wong Hong Meng     | - Independent Non-Executive Director     |
| Members  | Farizon binti Ibrahim | - Independent Non-Executive Director     |
|          | Wong Nyen Faat        | - Non-Independent Non-Executive Director |

The attendance of members at the Audit Committee Meeting and work of the Audit Committee for the financial year ended 30 June 2017 are set out in the Report of the Audit Committee in pages 20 to 21 of the Annual Report. The terms of reference of the Audit Committee are available in the Company's corporate website at [www.pmholdings.com.my](http://www.pmholdings.com.my)

### 2.2 Nomination Committee

The Nomination Committee comprises exclusively Non-Executive Directors, and all are Independent Directors. The members of the Nomination Committee are as follows:-

|          |                       |                                      |
|----------|-----------------------|--------------------------------------|
| Chairman | Dr Wong Hong Meng     | - Independent Non-Executive Director |
| Member   | Farizon binti Ibrahim | - Independent Non-Executive Director |

The Nomination Committee held one (1) meeting during the financial year ended 30 June 2017. The Nomination Committee has carried out the annual assessment for the financial year ended 30 June 2017 and is satisfied that the size of the Board is optimum and there is an appropriate mix of knowledge, skills, attributes, diversity and core competencies in the Board's composition.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 2. Board Committees (Cont'd)

#### 2.2 Nomination Committee (Cont'd)

The Nomination Committee assesses every Director annually and such assessment is based on different criterias. Some of them being:-

- (a) Fit and proper
- (b) Contribution and Performance
- (c) Calibre and Personality

Annual appraisals on the Independent Directors are also conducted via a self-assessment questionnaire to be filled-up by each Independent Director and submitted to the Nomination Committee before recommending to the Board on its composition.

The terms of reference of the Nomination Committee are available in the Company's corporate website at [www.pmhholdings.com.my](http://www.pmhholdings.com.my)

#### 2.3 Remuneration Committee

The Remuneration Committee comprises exclusively Non-Executive Directors. The members of the Remuneration Committee are as follows:-

|          |                       |                                      |
|----------|-----------------------|--------------------------------------|
| Chairman | Dr Wong Hong Meng     | - Independent Non-Executive Director |
| Member   | Farizon binti Ibrahim | - Independent Non-Executive Director |

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of Executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of Executive Directors is a matter for the Board as a whole and individual Executive Directors are required to abstain from discussion of their own remuneration.

The Remuneration Committee shall also recommend to the Board the remuneration of Non-Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board collectively.

### 3. Corporate Disclosure Policy

The Company aims to provide accurate and fair disclosure of corporate information to enable informed and orderly market decisions by investors in accordance with the requirements under the Bursa Securities Listing Requirements as the Company promotes transparency in all aspects of its business and/or management.

### 4. Whistleblower Policy

The Company has adopted and implemented a Whistleblower Policy which is committed in promoting and maintaining high standards of transparency, accountability and ethics in the workplace, in line with good corporate governance and prevailing legislation.

Pursuant to this Whistleblower Policy, employees in the Company are encouraged to report or disclose alleged, suspected and/or known improper conduct in the workplace without fear of retribution or detrimental action.

### 5. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly interim financial report provides shareholders with a regular overview of the Group's performance and operations.

## 5. Relationship with Shareholders and Investors (Cont'd)

In addition to various announcements made during the year, the timely release of quarterly interim financial report provides shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by the Company by accessing Bursa Securities' website and the Company's corporate website at [www.pmholdings.com](http://www.pmholdings.com)

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meetings, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session. This process highlights the check and balance system that is required under Malaysian Law.

Pursuant to Paragraph 8.29A(1) of the Bursa Securities Listing Requirements, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll.

Shareholders and other interested parties may contact the Joint Company Secretaries for investor relations matter by writing or via telephone/facsimile as follows:

Postal Address : Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur  
Telephone number: 03-21487696  
Facsimile number : 03-21445209

## 6. Accountability and Audit

### 6.1 Financial Reporting

The Audit Committee is tasked to assist the Board in ensuring that the financial statements comply with the Companies Act, 2016 and the applicable financial reporting standards. The Board has the overall responsibility to ensure that the financial statements reviewed and recommended by the Audit Committee for the Board's approval are prepared in accordance with the Companies Act, 2016 and applicable financial reporting standards so as to present a true and fair view of the state of affairs of the Group.

The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is set out in page 32 of the Annual Report, and the Statement explaining the Directors' responsibilities for preparing the annual audited financial statements pursuant to paragraph 15.26(a) of Bursa Securities Listing Requirements is set out in page 15 of the Annual Report.

### 6.2 Risk Management and Internal Control

The Directors acknowledge their responsibilities for an internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits. The Board has established an internal audit function who reports directly to the Audit Committee. Details of the internal audit functions are set out in the Report of the Audit Committee in pages 20 to 21 of the Annual Report.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 6. Accountability and Audit (Cont'd)

#### 6.2 Risk Management and Internal Control (Cont'd)

The Board recognises that risks cannot be fully eliminated. As such, the Group has an Enterprise Risk Management ("ERM") framework in place to minimise and manage them. The Board has established a Risk Management Committee comprising senior management staff and guided by documented terms of reference. Meetings are held regularly to deliberate on risk and control issues. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls and ERM framework in safeguarding the Group's assets.

Details of the Company's internal control system and risk management are set out in Statement on Risk Management and Internal Control in pages 16 to 18 of the Annual Report.

#### 6.3 Relationship with the External Auditors

The Company's external auditors have continued to report to members of the Audit Committee on their findings which are included as part of the Company's financial reports with respect to their audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The Audit Committee met the external auditors three (3) times during the financial year ended 30 June 2017 without presence of management to discuss key concerns and obtain feedback relating to the Company's affairs.

Further, the Audit Committee carries out its own evaluation on the external auditors to determine their suitability from various aspects such as their audit scope and independence. The external auditors have also provided assurances to the Audit Committee on its independence via the Audit Planning Memorandum.

The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee in pages 20 to 21 of the Annual Report.

## **DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS**

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year, which give a true and fair view of the state affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that period.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 2016.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Board's Responsibility

The Board of Directors ("Board") is responsible for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system covers risks and controls on financial, operational and compliance/legal aspects. This system is designed to manage, rather than to eliminate, the risks in the pursuit of the Group's business objective as well as to safeguard shareholders' investments and Group's assets. The system serves to provide reasonable but not absolute assurance against the risk of material misstatement, loss or fraud.

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements require directors of public listed companies to include a statement in their annual reports on their risk management and internal control system. The Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") provides guidance for compliance with these requirements. Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the Guidelines.

### Risk Management

The Board confirms that an ongoing process for identifying, measuring and managing the Group's principal risks is in place. This process is carried out via the following risk management governance structure:-

- The Board – discharges its responsibilities and duties by ensuring a sound system of risk management and internal control is in place for the Group. The Board has established the Audit Committee to assist them in fulfilling their responsibilities and duties. The Board formulates the Group's business strategies and reviews the Group's performance on a quarterly basis. Additional meetings may be called as and when the Board deems necessary. The Board also directs appropriate actions as and when significant risks and internal control issue arise.
- The Audit Committee – on behalf of the Board, the Audit Committee, with the assistance of the Risk Management Committee and the Group's Internal Audit Department, establishes a system of risk management and internal control. The Audit Committee, on behalf of the Board, reviews the significant risks and internal controls of the Group's business and activities and highlights significant risks and issues to the Board on a quarterly basis. The Group Internal Audit Department which reports directly and independently to the Audit Committee regularly conducts audits on the Group's business and activities, and reviews the adequacy and effectiveness of the Group's system of risk management and internal control.
- The Risk Management Committee ("RMC") – assists the Audit Committee in establishing risk management framework and process capable of identifying and managing significant risks inherent or developed in the Group's business and activities. The RMC meets with the risk owners to review the risks on a quarterly basis and presents its reports to the Audit Committee quarterly. Additional meetings may be called as and when the RMC deems necessary. The RMC comprises the Chief Operating Officer, the Group Financial Controller and the Head of Operations/Business.

## **Risk Management Process**

Risks are reported, monitored and managed at the operational level using Risk Register which captures risks, mitigating measures and risk ratings. The Risk Register is presented to the RMC for review on a quarterly basis.

Significant risks are consolidated and presented by the RMC to the Audit Committee for review quarterly, and if deemed necessary to be escalated for review at the Board level.

Changes in significant existing risks and significant emerging risks are reported to the Audit Committee/Board.

## **Types of Risks**

The principal business activities of the Group are operating hotel and investment. There have been no significant changes in the nature of these activities during the financial year ended 30 June 2017.

The significant risks faced by the Group during the financial year ended 30 June 2017 can be broadly categorized as follows:

### Financial Risk

- Potential impairment of amount owing by associate
- Share of results of associate

### Operational Risk

- Failure to upkeep hotel amenities and facilities
- Failure to provide good customer service
- Safety, health and fire hazards
- Recoverability of trade receivables
- Food safety

### Compliance/Legal Risk

- Failure to comply with statutory/regulatory requirements
- Potential dispute with the workers' union
- Any legal suits that may arise from time to time

### External Risk

- Domestic and/or global economic slowdown
- Calamities e.g. outbreak of transmissible diseases, air tragedies, terrorist attacks
- Foreign exchange fluctuations
- Price wars among competitors

## **Key Elements of Internal Control**

The key elements of the Group's internal control system, that are regularly reviewed by the Board and are in accordance with the Guidelines, are described below:-

- Establishment of a control environment in respect of the overall attitude, awareness and actions of Directors and Management regarding the internal control system and its importance to the Group;

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

### Key Elements of Internal Control (Cont'd)

- Recruitment of experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that adequate controls are in place;
- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;
- Documented policies, procedures and limits of approving authorities for key aspects of the business. This provides a framework of authority and accountability within the organisation and facilitates corporate decision making at the appropriate level in the organisation's hierarchy;
- Establishment of segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Quarterly management reports to the Board from various lines of operations and business units, on key business performance, operating statistics and regular matters. This allows for an effective monitoring of significant variances and deviation from standard operating procedures and budget;
- Group Internal Audit function independently reviews the risk identification procedures and control procedures implemented by Management, and reports to the Audit Committee on a quarterly basis. The Group Internal Audit function assesses the operation and validity of the system of internal control in relation to the level of risk involved using Risk-Based-Auditing methodology; and
- The Audit Committee convenes meetings to deliberate on the findings and recommendations for improvement by the Group Internal Audit function, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

### Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has received assurance from the Group Financial Controller and the Head of Operations/Business that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

The Board is of the view that the risk management and internal control system in place for the financial year under review and up to the date of issuance of the financial statements, is adequate and effective to safeguard the shareholders' investment and the Group's assets. The system of risk management and internal control continues to be subject to enhancement, validation and regular review.

### Review of Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Company for the financial year ended 30 June 2017 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

## OTHER INFORMATION

### 1. Utilisation of Proceeds raised from Corporate Proposal

The Company does not have any corporate proposal during the financial year ended 30 June 2017.

### 2. Audit and Non-Audit Fees

During the financial year ended 30 June 2017, the amounts of audit and non-audit fees paid by the Company and the Group to the external auditors are as follows:

|                | <b>Group<br/>(RM'000)</b> | <b>Company<br/>(RM'000)</b> |
|----------------|---------------------------|-----------------------------|
| Audit Fees     | 111                       | 65                          |
| Non-Audit Fees | 12                        | 12                          |

### 3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 30 June 2017 or entered into since the end of the previous financial year except as disclosed in the financial statements.

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee was established on 28 July 1994. The Board shall ensure that the composition of the Audit Committee comply with Bursa Securities Listing Requirements as well as other regulatory requirements.

### 1. Members

The Audit Committee consists of the following members:-

| <i><b>Name</b></i>                  | <i><b>Designation</b></i>                     |
|-------------------------------------|---|
| Dr Wong Hong Meng - <i>Chairman</i> | <i>Independent Non-Executive Director</i>     |
| Wong Nyen Faat                      | <i>Non-Independent Non-Executive Director</i> |
| Farizon binti Ibrahim               | <i>Independent Non-Executive Director</i>     |

### 2. Meetings

During the financial year ended 30 June 2017, five (5) Audit Committee Meetings were held and the records of each member are as follows:-

| <i><b>Name</b></i>                  | <i><b>Attendance</b></i> |
|-------------------------------------|--------------------------|
| Dr Wong Hong Meng - <i>Chairman</i> | 5 of 5                   |
| Wong Nyen Faat                      | 5 of 5                   |
| Farizon binti Ibrahim               | 4 of 5                   |

In addition to the Committee members, the Head of Internal Audit and officer in charge of accounts are invited for attendance at each meeting. The respective head of companies/departments and their management team attend when audit reports on their companies/departments are tabled for discussion. The presence of the external auditors will be requested when required.

Upon the request of the external auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Board or shareholders.

### 3. Summary of Work of the Audit Committee during the Financial Year Ended 30 June 2017

The Audit Committee reviewed and deliberated one (1) audit report on assignment and four (4) audit follow-up reports conducted by the Internal Audit. The Audit Committee also appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.

In addition, the unaudited quarterly interim financial reports and the audited financial statements of the Company and the Group were reviewed by the Audit Committee prior to recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities had been complied with.

The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed audit issues and concerns affecting the financial statements of the Group and discussed applicable accounting and auditing standards that may have significant implication on the Group's financial statements. The Audit Committee also reviewed related party transactions/ recurrent related party transactions carried out by the Group.

### **3. Summary of Work of the Audit Committee during the Financial Year Ended 30 June 2017 (Cont'd)**

The Audit Committee reviewed and approved the Internal Audit Plan for the financial year ending 30 June 2018. In its review of the Internal Audit Plan, the Audit Committee reviewed the scope and coverage over the activities of the respective business units of the Group.

Further, the Audit Committee also reviewed and deliberated the Internal Audit Manual for the Group. In carrying out such review, the Audit Committee considered the effectiveness of the policies and procedures in ensuring a smooth and efficient workflow of the internal audit function.

### **4. Internal Audit Function**

The internal audit function is performed by the Group Internal Audit Department (“GIAD”) of Malayan United Management Sdn Bhd, a company under the MUI Group of companies and is independent of the activities audited. The function is performed with impartiality, proficiency and due professional care. GIAD reports directly to the Audit Committee, and regularly reviews and appraises the Group’s key operations to ensure that key risk and control concerns are being effectively managed.

GIAD carries out audit assignments based on risk-based audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken were presented to the Audit Committee and forwarded to the management concerned for attention and necessary action.

During the financial year ended 30 June 2017, the GIAD carried out reviews on the scope of cash and procurement.

Follow-up reviews on previous audit reports are conducted by GIAD on quarterly basis to ensure appropriate actions are implemented to address the concerns highlighted.

The cost incurred for the internal audit function of the Company for the financial year ended 30 June 2017 was approximately RM33,209.

## CORPORATE SOCIAL RESPONSIBILITY

The Pan Malaysia Holdings Berhad Group recognises its duty as a responsible corporate citizen. We are firmly committed to the principles and practice of corporate social responsibility (“CSR”). Our CSR initiatives are rooted in the universal belief that every organisation owes a duty to act responsibly for the good of its employees, customers, shareholders, the communities in which it operates, the environment and society at large. The Group’s CSR involvement is summarised under the following broad headings:

### Community

The Group believes in sharing its success with the community. In addition to providing quality products and services to the people, the Group has taken active steps to organise and participate in the charity projects through its operating companies. The Group believes that a consolidated effort in CSR initiatives will be more effective and impactful for the beneficiaries that include charitable organisations, community projects, health care institutions, education institutions, and social activities. For over a decade, the Group has offered patronage, encouragement, and support for the Malaysian performing arts.

### Workplace

The Group prioritises in fostering an excellent human resource system. Mindful of employees’ welfare, the Group stands firm in its practices that comply with accepted standards of safety and health in the workplace. The Group continues to inculcate a sense of awareness amongst employees to accept responsibilities in occupational safety, health and environmental matters and to maintain a clean, safe and orderly working environment. As a responsible company, the Group emphasises on the well-being, health, and safety of employees in the workplace. The on-going responsibility is entrusted to operating companies or committees, and each is headed by a senior member of management. Key personnel attend various training programs that deal with occupational safety and health, hygiene and sanitation, first aid and fire-fighting.

### Marketplace

One of the underlying principles of the Group’s business philosophy is sense of fair dealing in business practices. Ethical engagement with the marketplace is something the Group takes very seriously. In this regard, the Group strives to deliver products and services that meet the criteria of value, safety, quality, and satisfaction to its customers and clients. The Group produces quality products and provides excellent services by ethical sourcing and promoting human rights, and consistently engaging with external stakeholders to understand the situation and feedback from the market and industry.

### Environment

The Group believes that a business practice with friendly environment can boost its business, improve reputation, and drive market opportunities. The Group recognises the importance of environmental protection and preservation in its business operations. Conscious of the importance of proper care for environment, the Group supports efforts that promote a cleaner and healthier environment in its day-to-day activities and operations. Procedures that ensure sound environmental practices are encouraged in its workplace and hotel.

## Corporate Governance

The Group values sound and responsible business practices and encourages strong corporate governance. The Group is committed to practicing a high level of corporate governance across all business functions. It seeks to uphold a corporate culture that is strong in corporate governance, efficient in management and trustworthy in business dealings. By interacting responsibly with its stakeholders, the Group emphasises economic, social, and environmental wellness.

### HIGHLIGHTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

During the financial year ended 30 June 2017, Corus Paradise Hotel Port Dickson (“Corus PD”) organised a groceries giveaway event for an orphanage home called New Life Care Centre on 28 February 2017 which houses 45 underprivileged children in Port Dickson. Corus PD employees also participated in a “gotong-royong” event held by Majlis Perbandaran Port Dickson to trim and clear trees that blocked and affected the road along Port Dickson from 13 March to 14 March 2017. Corus PD organised a blood donation campaign on 23 May 2017. These activities have enabled our employees to better understand the struggles, needs, and challenges faced by the needy people.



# MANAGEMENT DISCUSSION & ANALYSIS

## Overview of Business and Operations

The principal activity of the Company is investment holding whereas one of its subsidiaries, Pengkalen Holiday Resort Sdn Bhd owns and operates a resort hotel known as Corus Paradise resort hotel (“Corus Paradise”) located in Port Dickson, Negeri Sembilan. There have been no significant changes in the nature of these activities during the financial year ended 30 June 2017.

The Group has investment in an associate, Pan Malaysia Capital Berhad (“PM Capital”) which indirectly owns PM Securities Sdn Bhd (“PM Securities”) and PCB Asset Management Sdn Bhd. PM Securities is a stockbroking company with a Universal Broker license.

The Group’s main business is operating the 200-room Corus Paradise. This resort hotel has the advantages of an open view of the Straits of Melaka and a natural ground for outdoor activities. It targets local tourists, tourists from China and the ASEAN countries as well as local corporate and government clients.

## Financial Results

Note: There are no comparative audit figures for the previous 12-month period because the Company has changed its financial year end from 31 December to 30 June to be coterminous with the ultimate holding company, Malayan United Industries Berhad. Where it is appropriate, prorated figures for the previous 12-month period are used for comparison purposes.

The Group’s revenue was RM9.4 million for the financial year under review compared with the prorated RM8.6 million for the previous 12-month period (RM12.9 million for the 18-month financial period ended 30 June 2016). The increase in revenue, on prorated basis, was mainly due to higher room occupancy contributed by tourist arrivals from China.

The Group achieved a modest profit before tax of RM121,000 for the financial year under review (loss before tax of RM915,000 for the 18-month financial period ended 30 June 2016). The small profit was achieved mainly due to higher room occupancy as mentioned above.

There was no significant impairment of assets, trade receivables, inventories, one-off gain or loss during the financial year under review. There was also no major disposal or acquisition of assets during the period.

The Group’s bank borrowings were RM17.4 million as at 30 June 2017, a decrease from RM18.4 million as at 30 June 2016. The Group generated positive net cash of RM2.4 million from operating activities for the financial year under review.

## Review of Operating Activities

Corus Paradise performed better for the financial year under review. Its revenue increased by 8%, on prorated basis, through optimizing the occupancy rates and room rates. The room occupancy increased to 64% compared with 51% for the previous year. Revenue per available room, RevPAR improved by RM9 to RM85.

Corus Paradise used to be very dependent on local tourists, local corporate clients and government clients. In response to the cautious spending of the local corporate and government clients, the hotel has been increasing its sales and marketing efforts to attract international tourists especially those from China. For the financial year under review, the tourists from China accounted for 53% of the total number of room nights occupied.

F&B continues to be a significant contributor, accounting for 32.5 % of the total revenue, a small drop from 34.3% for the previous year.

Overall, the operating activities of Corus Paradise remain stable.

## **Risks**

The overdependence on the tourists from China is a risk Corus Paradise is faced with. The hotel has been putting more efforts to diversify its customer base by sourcing for tourists from other countries especially those from the ASEAN region.

## **Outlook**

According to Tourism Malaysia, Malaysia recorded a 4% increase in tourist arrivals in 2016 compared with the previous year. This growth momentum is expected to continue into 2017. The ASEAN region and China will continue to be the major contributors of tourists to Malaysia in view of the competitive Ringgit Malaysia exchange rate and improved flight accessibility and travel facilitation. Nevertheless, stiff competition for tourists among some ASEAN countries should be noted.

In Malaysia, cautious corporate and government spending is expected to continue into the foreseeable future. The Government's imposition of tourist tax in September 2017 will have a negative effect on the room occupancy. In Port Dickson where Corus Paradise is situated, price competition from newer hotels will put pressure on any increase of room rates.

Taking the above factors into consideration, besides further strengthening its sales and marketing efforts, Corus Paradise will improve its amenities and facilities to remain competitive in the market.

At the corporate level, the Group will be dissolving its inactive/dormant subsidiaries to achieve a leaner corporate structure.

## GROUP FINANCIAL HIGHLIGHTS FIVE-YEAR SUMMARY

|   | <i>2017</i>   | <i>2016</i> | <i>2014</i> | <i>2013</i> | <i>2012</i> |
|---|---------------|-------------|-------------|-------------|-------------|
| <b>KEY RESULTS (RM'000)</b>                                     |               |             |             |             |             |
| Revenue   | <b>9,379</b>  | 12,908      | 9,385       | 11,605      | 11,116      |
| Operating profit/(loss) (EBITDA)                                | <b>2,361</b>  | 2,542       | (1,463)     | (6,632)     | (36,498)    |
| Profit/(loss) before tax  | <b>121</b>    | (915)       | (3,880)     | (10,262)    | (39,331)    |
| Net profit/(loss) attributable to owners of the Company         | <b>109</b>    | (923)       | (2,950)     | (10,333)    | (39,325)    |
| <b>OTHER KEY DATA (RM'000)</b>                                  |               |             |             |             |             |
| Total assets  | <b>78,937</b> | 78,734      | 82,286      | 85,310      | 95,134      |
| Total liabilities   | <b>21,730</b> | 22,554      | 25,183      | 25,257      | 24,541      |
| Share Capital   | <b>92,887</b> | 92,887      | 92,887      | 92,887      | 92,887      |
| Equity attributable to owners of the Company                    | <b>57,207</b> | 56,180      | 57,103      | 60,053      | 70,593      |
| Total equity  | <b>57,207</b> | 56,180      | 57,103      | 60,053      | 70,593      |
| Total borrowings  | <b>17,365</b> | 18,350      | 19,646      | 19,781      | 20,300      |
| <b>FINANCIAL RATIOS</b>   |               |             |             |             |             |
| Operating profit/(loss) margin (%)                              | <b>25.17</b>  | 19.69       | (15.59)     | (57.15)     | (328.34)    |
| Current ratio (times)   | <b>10.64</b>  | 11.02       | 9.24        | 13.12       | 5.90        |
| Gearing ratio (times)   | <b>0.30</b>   | 0.33        | 0.34        | 0.33        | 0.29        |
| <b>SHARE INFORMATION</b>  |               |             |             |             |             |
| Basic earnings/(loss) per share (sen)                           | <b>0.01</b>   | (0.10)      | (0.32)      | (1.11)      | (4.23)      |
| Net assets per share attributable to owners of the Company (RM) | <b>0.06</b>   | 0.06        | 0.06        | 0.06        | 0.08        |