

All terms and abbreviations used herein will have the same meaning as those defined in the "Definitions" page of this Abridged Prospectus unless stated otherwise.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your Shares in Asian Pac, you should at once hand these Documents to the agent or broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. You should direct all enquiries concerning the Rights Issue of ICULS with Warrants, to which this Abridged Prospectus relates to, to our Share Registrar, namely, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

These Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 28 April 2017 who have a registered address in Malaysia or who have provided our Share Registrar with an address in Malaysia in writing on or before 5.00 p.m. on 28 April 2017. Our Company do not intend (and will not be able) to issue, circulate or distribute these Documents and we will not make or offer or deem to make or offer the Rights Issue of ICULS with Warrants for purchase or subscription, in any countries or jurisdictions other than Malaysia. The same applies to persons who are or may depend on the laws of any countries or jurisdiction other than the laws of Malaysia. You or persons receiving these Documents (including custodians, nominees, transferees and trustees), must not, in connection with the Rights Issue of ICULS with Warrants, distribute or send these Documents outside of Malaysia. Our Company did not take and will not take any action to ensure that the Rights Issue of ICULS with Warrants and these Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue of ICULS with Warrants to which the Documents relate is only available to persons receiving the Documents within Malaysia. These Documents may not be used for an offer, solicitation or an invitation to purchase the Rights Issue of ICULS with Warrants in any jurisdictions other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It will be your sole responsibility and/or your renouncee(s)/transferee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia to immediately consult your legal advisers and/or other professional adviser as to whether your acceptance, sale, transfer and/or renunciation (as the case may be) of all or any part of your entitlements to the Rights Issue of ICULS with Warrants would contravene any law of such countries or jurisdictions. You and/or your renouncee(s)/transferee(s) (if applicable) should also note the additional terms and restrictions set out in Section 11.10 of this Abridged Prospectus.

Neither our Company, Affin Hwang IB nor other advisers for the Rights Issue of ICULS with Warrants will be responsible or liable in the event that any of your acceptance or sale/transfer/renunciation (as the case may be) of your renouncee(s)/transferee(s) (if applicable) is or will become illegal, unenforceable, voidable or void in any countries or jurisdictions in which you and/or your renouncee(s)/transferee(s) (if applicable) is a resident.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of ICULS with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC had also approved the issuance of the ICULS in its letter dated 20 October 2016. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of these Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these Documents.

Our shareholders have approved the Rights Issue of ICULS with Warrants at our EGM held on 20 January 2017. Our Company has obtained the approval of Bursa Securities vide its letter dated 8 December 2016 for, amongst others, the admission of the ICULS and Warrants to the Official List of Bursa Securities and the listing of and quotation for the ICULS, Warrants and the new Asian Pac Shares to be issued pursuant to the conversion of the ICULS and/or exercise of the Warrants on the Main Market of Bursa Securities. However, this approval is not an indication that Bursa Securities recommends the Rights Issue of ICULS with Warrants, and is in no way reflective of the merits of the Rights Issue of ICULS with Warrants. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the ICULS and Warrants to the Official List and listing of and quotation for the ICULS and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved all the documentation relating to the Rights Issue of ICULS with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in these Documents false or misleading.

Affin Hwang IB, being our Principal Adviser for the Rights Issue of ICULS with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of ICULS with Warrants.

**PLEASE REFER TO "RISK FACTORS" SET OUT IN SECTION 8 HEREIN FOR THE INFORMATION CONCERNING THE RISK FACTORS WHICH YOU SHOULD CONSIDER.**



**ASIAN PAC HOLDINGS BERHAD**

(Company No.: 129-T)

(Incorporated in Malaysia under the Companies Act, 2016)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO RM99,256,461 NOMINAL VALUE OF 5-YEAR 3% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS AT 100% OF ITS NOMINAL VALUE OF RM1.00 EACH ("ICULS") IN ASIAN PAC HOLDINGS BERHAD ("ASIAN PAC" OR "COMPANY") ON THE BASIS OF 1 ICULS FOR EVERY 10 EXISTING ORDINARY SHARES IN ASIAN PAC HELD AS AT 5.00 P.M. ON 28 APRIL 2017, TOGETHER WITH UP TO 198,512,922 FREE NEW DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF 2 WARRANTS FOR EACH ICULS SUBSCRIBED**

**Principal Adviser**



**AFFIN HWANG  
CAPITAL**

**AFFIN HWANG INVESTMENT BANK BERHAD**

(Company No.: 14389-U)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Trustee**



**RHB TRUSTEES BERHAD**

(Company No.: 573019-U)

**IMPORTANT RELEVANT DATES AND TIME:**

Entitlement Date	: Friday, 28 April 2017 at 5.00 p.m.
Last date and time for sale of Provisional ICULS with Warrants	: Monday, 8 May 2017 at 5.00 p.m.
Last date and time for transfer of Provisional ICULS with Warrants	: Friday, 12 May 2017 at 4.00 p.m.
Last date and time for acceptance and payment for ICULS with Warrants	: Wednesday, 17 May 2017 at 5.00 p.m.
Last date and time for excess ICULS with Warrants application and payment	: Wednesday, 17 May 2017 at 5.00 p.m.

This Abridged Prospectus is dated 28 April 2017

**ALL TERMS AND ABBREVIATIONS USED HEREIN WILL HAVE THE SAME MEANING AS THOSE DEFINED IN THE "DEFINITIONS" PAGE OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.**

**THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF ICULS WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.**

**THE DISTRIBUTION OF THESE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THESE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF THE RIGHTS ISSUE OF ICULS WITH WARRANTS BASED ON THESE DOCUMENTS OR THE DISTRIBUTION OF THESE DOCUMENTS OUTSIDE OF MALAYSIA. THESE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY THE ICULS WITH WARRANTS IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.**

**THESE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF ICULS WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.**

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout the Documents:

Abridged Prospectus	: This Abridged Prospectus dated 28 April 2017 in relation to the Rights Issue of ICULS with Warrants
Act	: Companies Act, 2016
Additional Undertaking	: The irrevocable undertakings from the Undertaking Shareholders dated 14 September 2016 to subscribe by way of excess application, in aggregate with the Irrevocable Undertaking, for up to RM65.00 million ICULS pursuant to the Rights Issue of ICULS with Warrants
Affin Hwang IB or Principal Adviser	: Affin Hwang Investment Bank Berhad (Company No.: 14389-U), a Participating Organisation of Bursa Securities
Asian Pac or Company	: Asian Pac Holdings Berhad (Company No.: 129-T)
Asian Pac Group or Group	: Asian Pac and its subsidiaries, collectively
Asian Pac Shares or Shares	: Ordinary shares in Asian Pac
Authorised Nominee	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
Board	: Board of Directors of Asian Pac
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Company No.: 165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (Company No.: 635998-W)
CDS	: Central depository system, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account(s)	: Securities account(s) established by Bursa Depository for a depositor pursuant to SICDA and the Rules of Bursa Depository for the recording of deposits and dealings in such securities by the depositor
cfSolutions or Independent Adviser	: cfSolutions Sdn Bhd (Company No.: 137090-W), a Licensed Corporate Finance Adviser licensed by the SC under the CMSA, being the Independent Adviser appointed to advise the Directors and Non-Interested Shareholders on the Exemption
Circular	: The circular to our shareholders in relation to the Corporate Exercises dated 29 December 2016
CMSA	: Capital Markets and Services Act, 2007
Code	: Malaysian Code on Take-Overs and Mergers 2016
Corporate Exercises	: The Rights Issue of ICULS with Warrants and Exemption, collectively
Deed Poll	: The deed poll dated 10 April 2017 constituting the Warrants

## DEFINITIONS (CONT'D)

Documents	: The Abridged Prospectus, NPA and RSF, collectively
EBITDA	: Earnings before interest, taxation, depreciation and amortisation
EGM	: Extraordinary general meeting
Entitlement Date	: At 5.00 p.m. on 28 April 2017, being the time and date on which the names of our Entitled Shareholders must be registered in our Company's Record of Depositors to be entitled to participate in the Rights Issue of ICULS with Warrants
Entitled Shareholders	: The shareholders of our Company whose names appear in our Company's Record of Depositors on the Entitlement Date
E&Y or Reporting Accountants	: Messrs Ernst & Young
EPS	: Earnings per share
ESOS	: Employees' share option scheme
Exemption	: Exemption granted by the SC via its letter dated 14 February 2017 to Mah Sau Cheong and his PAC from the obligation to carry out the Offer
FPE	: Financial period ended
FRS	: Financial Reporting Standards
FYE	: Financial year ended/ending
GST	: The 6% Malaysian Goods and Services Tax that is currently enforced pursuant to the Goods and Services Tax Act 2014
ICULS	: 5-year 3% irredeemable convertible unsecured loan stocks to be issued by our Company at 100% of its nominal value of RM1.00 each pursuant to the Rights Issue of ICULS with Warrants where the ICULS will be constituted by the Trust Deed
Irrevocable Undertaking	: The irrevocable undertakings from the Undertaking Shareholders dated 14 September 2016 to subscribe in full for their respective entitlements under the Rights Issue of ICULS with Warrants
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 28 March 2017, being the latest practicable date prior to the printing of this Abridged Prospectus
LTD	: 5 August 2016, being the last Market Day that the Asian Pac Shares were traded on the Main Market of Bursa Securities prior to the announcement of the Corporate Exercises
Market Day	: A day on which the stock market of Bursa Securities is open for trading in securities
Material Adverse Effect	: An event or circumstance the occurrence or effect of which (in the reasonable opinion of the Trustee) materially prejudices the interest of the ICULS holders under and in respect of the ICULS and Trust Deed

## DEFINITIONS (CONT'D)

Maturity Date	: Being the last Market Day prior to the 5 <sup>th</sup> anniversary of the date of issuance of the ICULS
Maximum Scenario	: Assuming that all Entitled Shareholders subscribe to their respective entitlements under the Rights Issue of ICULS with Warrants
Minimum Scenario	: Assuming that none of our Entitled Shareholders subscribe for their respective entitlements under the Rights Issue of ICULS with Warrants other than the Undertaking Shareholders
Minimum Subscription Level	: RM65.00 million of the ICULS, being the minimum subscription level our Company must receive pursuant to the Rights Issue of ICULS with Warrants for it to proceed to implement the Rights Issue of ICULS with Warrants
NA	: Net assets
Non-Interested Shareholders	: The shareholders of Asian Pac save for Mah Sau Cheong (a major shareholder of Asian Pac) and his PAC
NPA	: Notice of provisional allotment of ICULS with Warrants in relation to the Rights Issue of ICULS with Warrants
Offer	: Mandatory take-over offer to acquire all the Asian Pac Shares, convertible securities and any new Asian Pac Shares to be issued pursuant to the conversion of the ICULS and/or the exercise of the Warrants not held by Mah Sau Cheong and his PAC
Official List	: A list specifying all securities listed on the Main Market of Bursa Securities
PAC	: Person acting in concert with Mah Sau Cheong, namely his spouse, Chin Lai Kuen
PBT	: Profit before taxation
Provisional ICULS with Warrants	: ICULS provisionally allotted to our Entitled Shareholders together with the free Warrants attached therein
Record of Depositors or ROD	: A record of security holders provided by Bursa Depository pursuant to the Rules of Bursa Depository
Rights Issue of ICULS with Warrants	: Renounceable rights issue of up to RM99,256,461 of ICULS in Asian Pac on the basis of 1 ICULS for every 10 Asian Pac Shares held in Asian Pac as at 5.00 p.m. on 28 April 2017, together with up to 198,512,922 Warrants on the basis of 2 Warrants for each ICULS subscribed
Rules	: The Rules on Take-Overs, Mergers and Compulsory Acquisitions issued on 15 August 2016
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the SICDA
RSF	: Rights subscription form in relation to the Rights Issue of ICULS with Warrants
RM and sen	: Ringgit Malaysia and sen respectively

**DEFINITIONS (CONT'D)**

SC	:	Securities Commission Malaysia
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (Company No.: 11324-H)
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Special Resolution	:	A resolution passed at a meeting of the ICULS holders duly convened and held in accordance with the provisions contained in the Trust Deed and carried by a majority consisting of not less than 75% of the votes given on a poll
Trust Deed	:	The trust deed dated 12 April 2017 constituting the ICULS
Trustee	:	RHB Trustees Berhad (Company No.: 573019-U), being the trustee appointed by our Company to act for the benefit of the holders of the ICULS
Undertaking Shareholders	:	Mah Sau Cheong and his spouse, Chin Lai Kuen, collectively
VWAMP	:	Volume weighted average market price
Warrants	:	Up to 198,512,922 free new detachable warrants to be issued by our Company together with the ICULS pursuant to the Rights Issue of ICULS with Warrants where the warrants will be constituted by the Deed Poll

All references to **"our Company"** in this Abridged Prospectus are to Asian Pac, and references to **"our Group"** are to our Company and our subsidiaries. References to **"we"**, **"us"**, **"our"** and **"ourselves"** are to our Company, and where the context otherwise requires, will include our subsidiaries.

All references to **"you"** and **"your"** in this Abridged Prospectus are to our Entitled Shareholders and/or where the context otherwise requires, their renounee(s)/transferee(s).

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any statute or enactment is a reference to that statute or enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to dates and times in this Abridged Prospectus shall be references to Malaysian dates and times, unless otherwise specified.

Any discrepancy in the tables between the amount listed and the totals in this Abridged Prospectus are due to rounding.

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## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

<b>Name (Designation)</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>	<b>Profession</b>
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas (Chairman/Independent Non-Executive Director)	72	2, Jalan 12/7 46200 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dato' Mustapha Bin Buang (Managing Director)	68	19, Jalan Rahim Kajai Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Dato' Mohamed Salleh Bin Bajuri (Independent Non-Executive Director)	66	277, Jalan Damansara Damansara Heights 50480 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Soon Dee Hwee (Independent Non-Executive Director)	55	C-36-8, 9 Bukit Utama 9 Persiaran Bukit Utama Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dr Yu Tat Loong (Executive Director)	40	Unit A1-21-1, Tower A1 St. Mary Residences No. 1, Jalan Tengah Off Jalan Sultan Ismail 50450 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Tan Siew Poh (Non-Independent Non-Executive Director)	53	No. 29, Jalan 20/9 46300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director

### AUDIT AND RISK MANAGEMENT COMMITTEE

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas	Chairman	Independent Non-Executive Director
Dato' Mohamed Salleh Bin Bajuri	Member	Independent Non-Executive Director
Soon Dee Hwee	Member	Independent Non-Executive Director
Tan Siew Poh	Member	Non-Independent Non-Executive Director

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**CORPORATE DIRECTORY (CONT'D)**

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**COMPANY SECRETARIES**

: Chan Yoon Mun (MAICSA 0927219)  
No. 8, Jalan USJ 1/1G, USJ 1  
47620 Subang Jaya  
Selangor Darul Ehsan

Ooi Mei Ying (MAICSA 7051036)  
4C Jalan Gajus  
Di Jalan Loke Yew  
50460 Kuala Lumpur  
Wilayah Persekutuan

**REGISTERED OFFICE**

: 12<sup>th</sup> Floor, Menara SMI  
No. 6, Lorong P. Ramlee  
50250 Kuala Lumpur

Tel. No.: +603 2786 3388  
Fax. No.: +603 2786 3386

**HEAD OFFICE**

: 12<sup>th</sup> Floor, Menara SMI  
No. 6, Lorong P. Ramlee  
50250 Kuala Lumpur

Tel. No.: +603 2786 3388  
Fax. No.: +603 2786 3386  
Email: [enquiry@asianpac.com.my](mailto:enquiry@asianpac.com.my)  
Website: <http://www.asianpac.com.my/>

**AUDITORS AND REPORTING ACCOUNTANTS  
FOR THE RIGHTS ISSUE OF ICULS WITH  
WARRANTS**

: Ernst & Young (AF: 0039)  
Level 23A, Menara Milenium  
Jalan Damanlela, Pusat Bandar  
Damansara  
50490 Kuala Lumpur

Tel. No.: +603 7495 8000  
Fax. No.: +603 2095 5332

**SOLICITORS FOR THE RIGHTS ISSUE OF ICULS  
WITH WARRANTS**

: Abdullah Chan & Co  
31<sup>st</sup> Floor, UBN Tower  
10 Jalan P. Ramlee  
50250 Kuala Lumpur  
(Letterbox 107)

Tel. No.: +603 2035 6883  
Fax. No.: +603 2035 6882

**PRINCIPAL BANKERS**  
*(in alphabetical order)*

: AFFIN Islamic Bank Berhad  
(Company No.: 709506-V)  
17<sup>th</sup> Floor, Menara Affin  
80, Jalan Raja Chulan  
50200 Kuala Lumpur

Tel. No.: +603 2055 9000  
Fax. No.: +603 2026 6405

## CORPORATE DIRECTORY (CONT'D)

### PRINCIPAL BANKERS (CONT'D)

(in alphabetical order)

Alliance Bank Malaysia Berhad  
(Company No.: 88103-W)  
Menara Multi-Purpose, Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur

Tel. No.: +603 2604 3333  
Fax. No.: +603 2692 2303

Kuwait Finance House (Malaysia)  
Berhad (Company No.: 672174-T)  
Level 26, Menara Prestige  
No. 1, Jalan Pinang  
P.O. Box 10103  
50450 Kuala Lumpur

Tel. No.: +603 2168 0000  
Fax. No.: +603 2168 0001

RHB Bank Berhad  
(Company No.: 6171-M)  
Level 7, Tower Three, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

Tel.: +603 9287 8888  
Fax.: +603 9280 6167

### SHARE REGISTRAR FOR THE RIGHTS ISSUE OF ICULS WITH WARRANTS AND PAYING AGENT FOR THE ICULS

: Tricor Investor & Issuing House Services  
Sdn Bhd (Company No.: 11324-H)  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

Tel. No.: +603 2783 9299  
Fax. No.: +603 2783 9222

### PRINCIPAL ADVISER

: Affin Hwang Investment Bank Berhad  
(Company No.: 14389-U)  
27<sup>th</sup> Floor, Menara Boustead  
69 Jalan Raja Chulan  
50200 Kuala Lumpur

Tel. No.: +603 2142 3700  
Fax. No.: +603 2141 7701

### TRUSTEE

: RHB Trustees Berhad (Company No.:  
573019-U)  
Level 11, Tower One  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

Tel. No.: +603 9280 8799  
Fax. No.: +603 9280 8796

### STOCK EXCHANGE LISTING

: Main Market of Bursa Securities



**ASIAN PAC HOLDINGS BERHAD**  
(Company No.: 129-T)  
(Incorporated in Malaysia under the Companies Act, 2016)

**Registered Office:**

12<sup>th</sup> Floor, Menara SMI  
No. 6, Lorong P. Ramlee  
50250 Kuala Lumpur

28 April 2017

**Board of Directors**

Tan Sri Dato' Seri Hj Megat Najmuddin Bin Datuk Seri Dr Hj Megat Khas (*Chairman/Independent Non-Executive Director*)

Dato' Mustapha Bin Buang (*Managing Director*)

Dato' Mohamed Salleh Bin Bajuri (*Independent Non-Executive Director*)

Ms Soon Dee Hwee (*Independent Non-Executive Director*)

Dr Yu Tat Loong (*Executive Director*)

Ms Tan Siew Poh (*Non-Independent Non-Executive Director*)

**To: Our Entitled Shareholders**

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO RM99,256,461 OF ICULS IN ASIAN PAC ON THE BASIS OF 1 ICULS FOR EVERY 10 EXISTING ASIAN PAC SHARES HELD AS AT 5.00 P.M. ON 28 APRIL 2017, TOGETHER WITH UP TO 198,512,922 WARRANTS ON THE BASIS OF 2 WARRANTS FOR EACH ICULS SUBSCRIBED**

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**1. INTRODUCTION**

On 8 August 2016, Affin Hwang IB had, on behalf of our Board, announced that our Company intends to carry out the Corporate Exercises.

On 23 August 2016, our Board also announced that pursuant to the Code and the Rules, cfSolutions had been appointed on 8 August 2016 to act as the Independent Adviser to our Directors and our Non-Interested Shareholders on the Exemption, of which the appointment of cfSolutions had been noted by the SC in its letter dated 23 August 2016.

On 20 October 2016, Affin Hwang IB, on behalf of the Board, announced that the SC had, *vide* its letter dated 20 October 2016, granted its approval for the issuance of up to RM99,256,461 nominal value of 5-year 3% ICULS pursuant to the renounceable Rights Issue of ICULS with Warrants under Section 214(1) of the CMSA, subject to the following conditions:

Conditions	Status of compliance
(1) Compliance with the standard conditions and continuing obligations as stipulated in the Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors (Guidelines on Retail Corporate Bonds and Sukuk); and	Noted.
(2) Affin Hwang IB is required to submit a checklist of compliance with the standard conditions and continuing obligations as stipulated in the Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors (Guidelines on Retail Corporate Bonds and Sukuk) and any other condition imposed in any other letter issued in connection with the Rights Issue of ICULS with Warrants within 7 business days from the date of issuance of the ICULS.	To be complied.

On 8 December 2016, Affin Hwang IB, on behalf of our Board, announced that Bursa Securities had, *vide* its letter dated 8 December 2016, approved the following:

- (a) the admission of the ICULS and Warrants to the Official List of Bursa Securities; and
- (b) the listing of and quotation for the ICULS, Warrants and new Asian Pac Shares to be issued pursuant to the conversion of the ICULS and the exercise of the Warrants on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

Conditions	Status of compliance
(1) Asian Pac and Affin Hwang IB, being the Principal Adviser, must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of ICULS with Warrants;	Noted.
(2) Asian Pac and Affin Hwang IB to inform Bursa Securities upon the completion of the Rights Issue of ICULS with Warrants;	To be complied.
(3) Asian Pac to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of ICULS with Warrants is completed;	To be complied.
(4) Asian Pac to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of ICULS and exercise of Warrants, as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied.
(5) To incorporate Bursa Securities' comments in respect of the draft circular to shareholders in relation to the Corporate Exercises.	Complied.

On 20 January 2017, our shareholders had approved the Corporate Exercises at our EGM. A certified true extract of the resolutions pertaining to the Corporate Exercises passed by our shareholders at the aforesaid EGM, is set out in Appendix I of this Abridged Prospectus.

On 15 February 2017, Affin Hwang IB had, on behalf of our Board, announced that the SC had approved the Exemption on 14 February 2017.

On 12 April 2017, Affin Hwang IB had, on behalf of our Board, announced that the Entitlement Date has been fixed on 28 April 2017 at 5.00 p.m. and the other relevant dates pertaining to the Rights Issue of ICULS with Warrants.

The official listing of and quotation for the ICULS and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of our Entitled Shareholders and/or their renouncee(s)/transferee(s) have been duly credited and notices of allotment have been despatched to them.

We have not authorised anyone to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue of ICULS with Warrants. You are advised not to rely on any information or representation that is given or made which are not authorised by us or Affin Hwang IB.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

## **2. PARTICULARS OF THE RIGHTS ISSUE OF ICULS WITH WARRANTS**

### **2.1 Details of the Rights Issue of ICULS with Warrants**

In accordance with the terms of the Rights Issue of ICULS with Warrants as approved by the relevant authorities and our shareholders at our EGM held on 20 January 2017, and subject to the terms of the Documents, our Company will provisionally allot up to RM99,256,461 of ICULS on the basis of 1 ICULS for every 10 existing Asian Pac Shares held by our Entitled Shareholders on the Entitlement Date together with up to 198,512,922 Warrants to be issued on the basis of 2 Warrants for each ICULS subscribed.

The Rights Issue of ICULS with Warrants will be undertaken based on the Minimum Subscription Level to raise minimum gross proceeds of RM65,000,000. This entails a minimum issuance of RM65,000,000 of ICULS together with 130,000,000 Warrants pursuant to Irrevocable Undertaking and Additional Undertaking by the Undertaking Shareholders as set out in Section 2.5 of this Abridged Prospectus. The Minimum Subscription Level was determined by our Board after taking into consideration the minimum funding requirements of our Group, which will be used in the manner as set out in Section 4 of this Abridged Prospectus.

Assuming all Entitled Shareholders fully subscribe to their ICULS entitlement, the Rights Issue of ICULS with Warrants will entail an issuance of up to RM99,256,461 of ICULS together with up to 198,512,922 Warrants.

The actual number of the ICULS and Warrants to be issued pursuant to the Rights Issue of ICULS with Warrants would depend on the level of valid subscriptions received by our Company.

Our Entitled Shareholders may subscribe for and/or renounce their respective entitlements under the Rights Issue of ICULS with Warrants, in full or in part. However, the ICULS and Warrants cannot be renounced separately. The Warrants are attached to the ICULS and will only be issued to our Entitled Shareholders and/or renouncee(s) and/or transferee(s) who subscribe for the ICULS. Our Entitled Shareholders who renounce all or any part of their entitlement to the ICULS provisionally allotted to them shall be deemed to have renounced their corresponding entitlement to the Warrants. The Entitled Shareholders accepting only part of their ICULS entitlement shall be entitled to the Warrants in proportion of their acceptance of the ICULS entitlement.

The Warrants shall be immediately detached from the ICULS upon issuance and shall be traded separately on the Main Market of Bursa Securities.

The ICULS which are not taken up or validly taken up shall be made available for excess application by the other Entitled Shareholders and/or their renouncee(s) and/or transferee(s), together with the corresponding Warrants.

Our Board reserves the right to allot the excess ICULS with Warrants, if any, applied for under Part I(b) of the RSF, in full or in part, and in a fair and equitable manner as they deem fit and expedient and in the best interests of our Company. As such, it is the intention of our Board to allot the excess ICULS with Warrants in the following order of priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for excess ICULS with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS Accounts as at the Entitlement Date; and
- (iii) thirdly, for allocation to our Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) who have applied for the excess ICULS with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess ICULS with Warrants application.

Further, there must be at least a minimum of 100 holders of the ICULS and Warrants holding not less than 1 board lot each for the ICULS and Warrants to be listed on the Main Market of Bursa Securities.

Nevertheless, our Board reserves the right to allot any application for excess ICULS with Warrants on such basis as they deem fit and expedient and in the best interests of our Company without assigning any reasons thereto.

We will provisionally allot the ICULS to our Entitled Shareholders. We will disregard fractional entitlements, if any, when determining the entitlement of our Entitled Shareholders under the Rights Issue of ICULS with Warrants. Further, fraction of an ICULS or Warrant will be disregarded. Any fraction will be dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional ICULS with Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICULS with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional ICULS with Warrants into your CDS Account and the RSF enabling you to subscribe for the Provisional ICULS with Warrants, as well as to apply for the excess ICULS with Warrants if you choose to.

Any dealing in our securities is subject to SICDA and the Rules of Bursa Depository and any other relevant legislation. The ICULS, Warrants and new Asian Pac Shares to be issued arising from the conversion of ICULS and/or exercise of Warrants are all prescribed securities. Hence, our Company will directly credit the respective CDS Accounts of the successful ICULS subscribers and/or their renouncee(s)/transferee(s) after the allotment and issue of the ICULS, Warrants and new Asian Pac Shares arising from the conversion of ICULS and/or exercise of Warrants (as the case may be). Our Company will not issue any physical ICULS or Warrant certificate to you and/or your renouncee(s)/transferee(s) (as the case may be). Further, our Company will not issue any physical share certificates for the new Asian Pac Shares arising from the conversion of the ICULS and/or exercise of Warrants.

Within 8 Market Days from the last date of acceptance and payment for the ICULS with Warrants or such other period as may be prescribed by Bursa Securities, we must:

- (i) issue and allot the ICULS and Warrants;
- (ii) despatch notices of allotment to the allottees; and
- (iii) apply for the quotation of the ICULS and Warrants on the Main Market of Bursa Securities.

The ICULS and Warrants will then be quoted on the Main Market of Bursa Securities 2 Market Days after the application for quotation is made to Bursa Securities.

## 2.2 Salient terms of ICULS and Warrants

The ICULS and Warrants will trade separately from the existing Asian Pac Shares.

The ICULS will be issued in registered form and constituted by the Trust Deed.

The Warrants will be issued in registered form and constituted by the Deed Poll.

(a) The salient terms of the ICULS are as follows:

Issuer	:	Asian Pac
Issue size	:	Up to RM99,256,461 of ICULS with a nominal value of RM1.00 each.
Issue price	:	RM1.00 nominal value per ICULS or 100% of the nominal value of the ICULS.
Form and denomination	:	The ICULS will be issued in registered form in denomination of RM1.00 each and multiples of 100 units thereof. The ICULS are constituted by the Trust Deed.
Tenure	:	5 years commencing from and including the date of issue of the ICULS and expiring on the Maturity Date.
Maturity Date	:	The date immediately preceding the 5 <sup>th</sup> anniversary of the date of issue of the ICULS and if such date is not a market day, then on the immediate preceding market day.
Coupon rate	:	Fixed rate of 3% per annum on the ICULS payable in arrears on an annual basis from the date of issue of the ICULS. The last coupon payment will be made on the Maturity Date.
Basis of allotment	:	1 ICULS for every 10 Shares held by our Entitled Shareholders on the Entitlement Date.
Conversion Period	:	The ICULS will be converted into new Asian Pac Shares on any market day from and including the date of issuance of the ICULS up to and including the Maturity Date.
Conversion Price	:	The conversion price is fixed at RM1.00 (where 1 ICULS will be converted into 5 new Asian Pac Shares).
Conversion mode	:	By surrendering each ICULS for 5 new Asian Pac Shares.

- Conversion rights : Each registered holder of the ICULS will have the right at any time during the Conversion Period to convert such ICULS held into fully-paid up new Asian Pac Shares at the Conversion Price.
- Unless previously converted, we will mandatorily convert all outstanding ICULS into new Asian Pac Shares at the Conversion Price on the Maturity Date.
- Any fraction of a new Asian Pac Share arising from the mandatory conversion of the ICULS on the Maturity Date will be disregarded and be dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.
- Status : The ICULS will constitute direct, unsecured and unconditional obligations of Asian Pac and be subject to the provisions contained in the Trust Deed. The ICULS will at all times rank equally, without discrimination, preference or priority amongst themselves and with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of Asian Pac, subject only to those preferred by mandatory provisions of law.
- Redemption : The ICULS are not redeemable. All outstanding ICULS must be mandatorily converted into new Asian Pac Shares on the Maturity Date by surrendering for cancellation the ICULS equivalent to the Conversion Price.
- Status of new Asian Pac Shares arising from the conversion of the ICULS : The issue of new Shares arising from the conversion of the ICULS will, upon allotment and issue, rank equally in all respects with the then existing issued Shares, except that the holders of the new Shares will not be entitled to any dividends, rights, allotments and/or any other distributions, where the entitlement date precedes the date of allotment and issuance of the said Shares.
- Adjustment in the Conversion Price and/or the nominal value of the ICULS in the event of alteration to the share capital : We shall make the necessary adjustment to the Conversion Price and/or the nominal value of the ICULS in the event of any alteration in the share capital of our Company on or before the Maturity Date, whether by way of rights issues, bonus issues, consolidation of shares, subdivision of shares or capital distribution by way of a reduction of capital or otherwise howsoever being effected, in accordance with the provisions of the Trust Deed.
- ICULS holders' rights to participate in any distribution and/or offer of further securities in our Company : The holders of the ICULS are not entitled to participate in any distribution and/or offer of further securities in our Company unless such ICULS holders convert the ICULS into new Shares, in which event the rights to participate will be as stated under "Status of new Asian Pac Shares arising from the conversion of the ICULS".

Rights of the holders of the ICULS in the event of winding-up, liquidation or an event of default :

In the event that the Trustee declares an event of default in accordance with the Trust Deed or winding-up or our liquidation, we will pay the outstanding ICULS together with all accrued interest to the holders of the ICULS, or an amount which the holders of the ICULS may prove for in our liquidation. Such amount is immediately due and payable by us.

Except for the above, the ICULS cannot be redeemed in cash but only by conversion into fully paid new Asian Pac Shares in accordance with the provisions of the Trust Deed.

Modification of the rights of the ICULS holders :

The Trustee may from time to time without the consent or sanction of the ICULS holders, make any modifications to the Trust Deed where the modification is to correct a manifest error or omission or to comply with the mandatory provisions of the laws of Malaysia and such modification which is in the opinion of the Trustee will not be materially prejudicial to the interest of the ICULS holders.

Any other modification to the Trust Deed must be made with the consent or sanction of the ICULS holders pursuant to a Special Resolution.

Such modification to the Trust Deed may be effected only by deed, executed by us and the Trustee and expressed to be supplemental. A memorandum of every such supplemental deed must be endorsed on the Trust Deed.

Other than is provided in the Trust Deed, a Special Resolution of the ICULS holders is required to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the ICULS holders.

Events of default and enforcement events, where applicable, including resource available to investors

Any of the following events will constitute an event of default:

(i) Non-payment

Our Company defaults in the payment of coupon on each of the anniversary dates of the date on which the ICULS are issued for payment of coupon in arrears for the ICULS in respect of any ICULS after the same has become due by our Company whether formally demanded or not, and such default continues for more than 30 days after the Trustee have given written notice to our Company specifying the default and requiring the default to be remedied.

(ii) Breach of obligations under the Trust Deed

Our Company defaults on the performance of or compliance with any of its other obligations under the Trust Deed which has a Material Adverse Effect and which –

Events of default and enforcement events, where applicable, including resource available to investors (Cont'd)

- (a) In the Trustee's reasonable opinion, cannot be remedied, in which case the Trustee is not required to give any written notice to remedy to our Company; or
- (b) in the Trustee's reasonable opinion can be remedied, but the default is not remedied to the Trustee's reasonable satisfaction within 30 days after the Trustee will have given written notice to our Company specifying the default and requiring the default to be remedied.

(iii) Winding-up

An order is made and is not stayed or an effective resolution is passed for the winding up of our Company (other than for the purpose of a reconstruction, amalgamation or reorganisation on terms approved by the Trustee, acting on a Special Resolution).

(iv) Legal process

A distress, warrant of attachment or execution is levied, enforced upon or sued against a substantial portion of the chattels or properties of our Company and is not withdrawn, discharged or stayed within 60 days thereof.

(v) Revocation of licence

Any licence, authorisation or approval is revoked, withheld or modified and such revocation, withholding or modification materially impairs and prejudices our Company's ability to comply with the provisions of the Trust Deed to the extent that our Company is unable to meet its payment obligations under the Trust Deed.

(vi) Section 366 scheme of arrangement

Any proceedings in respect of a scheme of arrangement under Section 366 of the Act is instituted or commenced in respect of our Company or our Company convenes a meeting of its creditors or proposes or makes any arrangement or composition with its creditors.

(vii) Cross default

Any indebtedness of our Company for borrowed moneys in the amount or aggregate amount of not less than 5% of net assets value of our Group becomes, in accordance with the relevant terms thereof, due and payable prematurely by reason of a default by our Company in its obligations in respect of the same, or our Company is unable to make any payment in respect thereof on the due date for such payment or, as the case may be, within any applicable grace period or the security for any such indebtedness becomes enforceable, and such event has a Material Adverse Effect.

Events of default and enforcement events, where applicable, including resource available to investors (Cont'd)

(viii) Insolvency of the Company

Our Company becomes or is declared insolvent or a bankrupt or consents in circumstances of our Company's insolvency to the appointment of a trustee (other than the Trustee), custodian, intervenor or receiver for our Company or for any part of our Company's property, or any such trustee, custodian, intervenor or receiver is appointed, or bankruptcy, dissolution, reorganisation, arrangement or liquidation proceedings (or proceedings similar in purpose or effect) are instituted by or against our Company (other than for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation which have been approved by the Trustee, acting on a Special Resolution) unless such proceedings are vexatious or frivolous in nature and our Company has taken steps to stay and/or challenge such proceedings within 30 days of service of the application or petition for such proceedings on our Company.

(ix) Acts, conditions, approvals

At any time any act, condition, thing (such as the passing of appropriate resolutions, stamping of documents or exemptions of stamp duty), approval, consent, authorisation or licence required to be done, fulfilled, performed or obtained in order –

- (1) to enable our Company to lawfully enter into, exercise its rights and perform its obligations under the Trust Deed;
- (2) to make the Trust Deed constitute the legal, valid, binding obligations of our Company and enforceable against our Company in accordance with its terms; and
- (3) to render the Trust Deed admissible in evidence in Malaysia,

is not done, fulfilled, performed or obtained or is not otherwise in full force and effect for any reason whatsoever, and such event has a Material Adverse Effect.

(x) Compulsory acquisition of assets of our Company

By or under the authority of any government or any other person, the whole of our Company's assets or any substantial part thereof is seized, nationalised, expropriated or compulsorily acquired without adequate compensation having been paid therefor, and such event has a Material Adverse Effect.

(xi) Unlawful

It is or will become unlawful by the laws of Malaysia or by the laws of any applicable jurisdiction for our Company to perform or comply with any one or more of its obligations under the Trust Deed, and such event has a Material Adverse Effect.

Events of default and enforcement events, where applicable, including resource available to investors (Cont'd)

#### Consequences of default

Upon the occurrence of any event of default, the Trustee may, but will not be bound to do so unless the Trustee is requested in writing by and/or directed by resolution passed at a duly convened meeting by the ICULS holders of not less than 75% of the aggregate nominal value of the outstanding ICULS (subject to the Trustee being indemnified under the Trust Deed).

- (i) declare by giving notice thereof to our Company that –
  - (1) an event of default has occurred; and
  - (2) that the amount owing under ICULS are immediately due and payable, whereupon notwithstanding the stated maturity of the ICULS, the ICULS will become due and payable at their respective nominal value together with coupon accrued up to the date of repayment, however the ICULS will not be liable to be repayable in cash but only by conversion into fully paid new Shares in accordance with the Trust Deed except in the case of liquidation whereby the ICULS holders will have the right to exercise all or any of the remedies available under the Trust Deed or by statute or otherwise and will be entitled to pursue all remedies and civil suit to recover the nominal value of the outstanding ICULS together with coupon accrued up to the date of payment.
- (ii) by notice to our Company and the Paying Agent (as stated under page ix of this Abridged Prospectus), require the Paying Agent to act only in accordance with the instructions of the Trustee in relation to payments to be made by or on behalf of the Trustee under the Trust Deed;
- (iii) by notice in writing to our Company and the Paying Agent, require the transfer of all sums held by the Paying Agent in respect of the ICULS to or to the order of the Trustee and require our Company to make all subsequent payments in respect of the ICULS to the order of the Trustee; and
- (iv) without further notice to our Company, institute such proceedings and take such steps as it may think fit, including enforcing all or any of the remedies under the Trust Deed and/or in equity or at law.

#### Notification of Paying Agent

As soon as practicable after the Trustee is notified or becomes aware of the occurrence of an event of default, the Trustee must notify the Paying Agent of such occurrence, whether or not such event of default is continuing.

Board lot	:	The ICULS will be tradeable upon listing in board lots of 100 units of ICULS, or such other denomination as Bursa Securities may determine.
Listing	:	The ICULS will be listed and quoted on the Main Market of Bursa Securities.  There must be at least 100 ICULS holders holding not less than 1 board lot each. This is required to comply with the public spread requirements of the Listing Requirements for the admission, listing of and quotation for the ICULS on the Main Market of Bursa Securities.
Trust Deed	:	The ICULS shall be constituted by the Trust Deed.
Rating	:	The ICULS will not be rated.
Governing law	:	Laws of Malaysia.

(b) The salient terms of the Warrants are as follows:

Issue size	:	Up to 198,512,922 Warrants.
Issue price	:	The Warrants are to be issued free to the Entitled Shareholders and/or transferee(s) and/or renouncee(s) who subscribe for the ICULS pursuant to the Rights Issue of ICULS with Warrants.
Form and constitution	:	The Warrants shall be issued (together with the ICULS) in registered form and will be detached immediately from the ICULS upon issuance. The Warrants shall be separately traded on the Main Market of Bursa Securities and will be constituted by the Deed Poll.
Basis of allotment	:	2 Warrants for each ICULS subscribed.
Expiry Date	:	The date immediately preceding the 5 <sup>th</sup> anniversary of the date of issue of the Warrants and if such date is not a market day, then on the immediate preceding market day.
Exercise Period	:	5 years from and inclusive of the date of issue of the Warrants and ending at 5.00 p.m. (Malaysian time) on the Expiry Date.  Any Warrants not exercised during the exercise period will thereafter lapse and no longer be valid for any purpose.
Exercise Price	:	The exercise price of the Warrants is fixed at RM0.25 for each new Asian Pac Share, subject to further adjustment (where applicable) in accordance with the provisions of the Deed Poll.
Exercise rights	:	Each Warrant entitles the holder to subscribe for 1 new Asian Pac Share at the Exercise Price at any time during the Exercise Period.
Mode of exercise	:	The Warrant holders are required to lodge an exercise form, as set out in the Deed Poll, with our share registrar, duly completed, signed and stamped together with payment of the Exercise Price by banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.

- Rights of the Warrants : The Warrants do not entitle the registered Warrant holders thereof to any voting rights in any general meeting of Asian Pac or to participate in any distribution and/or offer of further securities in Asian Pac unless the Warrant holder becomes a shareholder by exercising their Warrant.
- Ranking of the new Asian Pac Shares to be issued from the exercise of the Warrants : The issue of new Shares arising from the exercise of the Warrants will, upon allotment and issue, rank equally in all respects with the then existing issued Shares, except that the holders of the new Shares will not be entitled to any dividends, rights, allotments and/or any other distributions, where the entitlement date precedes the date of allotment and issuance of the said Shares.
- Adjustment to the Exercise Price and/or the number of the Warrants : The Exercise Price of the Warrants and/or the number of the Warrants will be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
- Rights in the event of winding up, liquidation or an event of default : In the event of a resolution is passed for our members' voluntary winding-up or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for our reconstruction or our amalgamation with one or more companies, then:
- (i) For the purposes of such winding-up or compromise or arrangement (other than a consolidation, amalgamation or merger in which we are the continuing corporation) to which the Warrant holders (or some persons designated by them for such purpose by special resolution), will be a party, the terms of such winding-up, compromise or arrangement must be binding on all the Warrant holders; and
  - (ii) In any other case, every Warrant holder will be entitled to elect to be treated as if he had immediately prior to the commencement of such winding-up or compromise or arrangement exercised the exercise rights represented by such Warrants to the extent specified in the exercise form and be entitled to receive out of our assets which would be available in liquidation if he had on such date, been the holder of the Shares to which he would have become entitled pursuant to such exercise (after deductions have been made for such Exercise Price and the related expenses for the exercise of the Warrants, as though the Warrants have been exercised) and our liquidator shall give effect to such election accordingly.
- Modification to the terms and conditions of the Warrants : Other than is provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the Warrant holders.
- Board lot : The Warrants will be tradeable upon listing in board lots of 100 units of Warrants, or such other denomination as Bursa Securities may determine.

- Listing : The Warrants will be listed and quoted on the Main Market of Bursa Securities.
- There must be at least 100 Warrant holders holding not less than 1 board lot each. This is required to comply with the public spread requirements of the Listing Requirements for the admission, listing of and quotation for the Warrants on the Main Market of Bursa Securities.
- Deed Poll : The Warrants will be constituted by the Deed Poll executed by our Company.
- Governing law : Laws of Malaysia.

### **2.3 Ranking of the new issue of Shares arising from the conversion of the ICULS and/or the exercise of the Warrants**

The issue of new Shares arising from the conversion of the ICULS and/or exercise of the Warrants will, upon allotment and issue, rank equally in all respects with the then existing issued Shares, except that the holders of the new Shares will not be entitled to any dividends, rights, allotments and/or any other distributions, where the entitlement date precedes the date of allotment and issuance of the said Shares.

### **2.4 Basis and justification of the pricing of the ICULS and Warrants**

#### **(a) Basis and justification of arriving at the issue price of the ICULS and the conversion price of the ICULS**

The ICULS will be issued at 100% of its nominal value of RM1.00 each. Our Board has fixed the conversion price of the ICULS at RM1.00 each (where 1 ICULS will be converted into 5 new Asian Pac Shares). This was arrived at after taking into consideration of the following:

- (i) the theoretical ex-rights price of RM0.18 per Asian Pac Share after the Rights Issue of ICULS with Warrants, calculated based on the 5-day VWAMP of the existing Asian Pac Shares up to and including the LTD of RM0.17 and assuming that the Rights Issue of ICULS with Warrants is fully subscribed;
- (ii) the funding requirements of our Group; and
- (iii) the intended use of the proceeds (details of which are set out in Section 4 of this Abridged Prospectus).

For illustrative purposes, the conversion price of the ICULS of RM1.00 (where 1 ICULS will be converted into 5 new Asian Pac Shares) or RM0.20 per new Asian Pac Share represents:

- (i) a premium of RM0.02 or approximately 11.11% to the theoretical ex-rights price of RM0.18 per Asian Pac Share after the Rights Issue of ICULS with Warrants, calculated based on the 5-day VWAMP of the existing Asian Pac Shares up to and including the LTD, of RM0.17 and assuming that the Rights Issue of ICULS with Warrants is fully subscribed; and
- (ii) a premium of RM0.013 or approximately 6.95% to the theoretical ex-rights price of RM0.187 per Asian Share after the Rights Issue of ICULS with Warrants, calculated based on the 5-day VWAMP of the existing Asian Pac Shares up to and including the LPD, of RM0.18 per Asian Pac Share and assuming that the Rights Issue of ICULS with Warrants is fully subscribed.

Premised on the terms of the ICULS, the ICULS can be converted into new Asian Pac Shares anytime from the date of issue of the ICULS up to its Maturity Date, which is the last market day prior to the 5<sup>th</sup> anniversary of the date of issue of the ICULS. Any ICULS which are not converted would be mandatorily converted into new Asian Pac Shares on the Maturity Date.

Our Company will disregard any fractional new Asian Pac Share arising from the mandatory conversion of the ICULS on the Maturity Date and our Board will deal with it as it may deem fit and expedient in the best interests of our Company.

**(b) Basis and justification of arriving at the issue price of the Warrants and the exercise price of the Warrants**

The Warrants are attached to the ICULS and will be issued at no cost to our Entitled Shareholders based on their respective entitlement to the Rights Issue of ICULS with Warrants. The Warrants are intended to reward our shareholders for their continued support of our Company. Nonetheless, should any Entitled Shareholder renounce all or any part of their entitlement to the ICULS with Warrants provisionally allotted to them, they will be deemed to have renounced their corresponding entitlement to the Warrants.

The Warrants are exercisable into new Asian Pac Shares. Our Board has fixed the exercise price of the Warrants at RM0.25 after taking into consideration the following:

- (i) the prevailing and historical market prices of the Asian Pac Shares; and
- (ii) the future prospects of the Asian Pac Group as set out in Section 7.3 of this Abridged Prospectus.

For illustrative purposes, the exercise price of the Warrants of RM0.25 represents:

- (i) a premium of RM0.07 or approximately 38.89% to the theoretical ex-rights price of RM0.18 per Asian Pac Share after the Rights Issue of ICULS with Warrants, calculated based on the 5-day VWAMP of the existing Asian Pac Shares of RM0.17 up to and including the LTD and assuming that the Rights Issue of ICULS with Warrants is fully subscribed; and
- (ii) a premium of RM0.063 or approximately 33.69% to the theoretical ex-rights price of RM0.187 per Asian Pac Share after the Rights Issue of ICULS with Warrants, calculated based on the 5-day VWAMP of the existing Asian Pac Shares up to and including the LPD, of RM0.18 per Asian Pac Share and assuming that the Rights Issue of ICULS with Warrants is fully subscribed.

Premised on the terms of the Warrants, the Warrants can be exercised at the exercise price into new Asian Pac Shares anytime from the date of issue of the Warrants up to its Expiry Date, which is the last market day prior to the 5<sup>th</sup> anniversary of the date of issue of the Warrants. Any Warrants not exercised during the exercise period will thereafter lapse and no longer be valid for any purpose.

## 2.5 Minimum Subscription Level and undertaking by the substantial shareholder of our Company for the Rights Issue of ICULS with Warrants

As stated in Section 2.1 of this Abridged Prospectus, we will carry out the Rights Issue of ICULS with Warrants based on the Minimum Subscription Level, after taking into consideration the minimum funding requirements of our Group. To meet this Minimum Subscription Level, our Company has procured:

- (i) the Irrevocable Undertaking; and
- (ii) the Additional Undertaking.

As at the LPD, the Undertaking Shareholders collectively hold 187,328,669 Shares, representing 18.87% of the share capital of our Company.

The details of the Irrevocable Undertaking and Additional Undertaking are as follows:

Undertaking Shareholders	Direct shareholdings as at the LPD		(i)		(ii)		(i) +(ii)	
			Irrevocable Undertaking		Additional Undertaking		Total	
	No. of Asian Pac Shares held	%	No. of ICULS/ (Warrants)	% of total ICULS/ (Warrants) <sup>(1)</sup>	Excess ICULS/ (Warrants) <sup>(2)</sup>	% of total ICULS/ (Warrants) <sup>(1)</sup>	No. of ICULS/ (Warrants)	% of total ICULS/ (Warrants) <sup>(1)</sup>
Mah Sau Cheong	182,068,669	18.34%	18,206,867 / (36,413,734)	18.34%	44,967,999 / (89,935,997)	45.30%	63,174,866 / (126,349,731)	63.64%
Chin Lai Kuen	5,260,000	0.53%	526,000 / (1,052,000)	0.53%	1,299,134 / (2,598,269)	1.31%	1,825,134 / (3,650,269)	1.84%
<b>Total</b>	<b>187,328,669</b>	<b>18.87%</b>	<b>18,732,867 / (37,465,734)</b>	<b>18.87%</b>	<b>46,267,133 / (92,534,266)</b>	<b>46.61%</b>	<b>65,000,000 / (130,000,000)</b>	<b>65.48%</b>

Notes:

- (1) Based on the maximum number of up to RM99,256,461 of ICULS together with up to 198,512,922 Warrants, assuming that the Rights Issue of ICULS with Warrants is fully subscribed.
- (2) Assuming Mah Sau Cheong and his spouse, Chin Lai Kuen subscribe for the excess ICULS comprising RM46,267,133 of ICULS in proportionate to their shareholdings in our Company.

The Undertaking Shareholders have provided written confirmation dated 14 September 2016 and have confirmed that they respectively have sufficient financial resources to take up their respective entitlements under the Rights Issue of ICULS with Warrants and the excess ICULS with Warrants application (the Additional Undertaking in aggregate with the Irrevocable Undertaking), for up to RM65.00 million of ICULS pursuant to the Rights Issue of ICULS with Warrants.

Affin Hwang IB has verified, to the extent possible, that the Undertaking Shareholders have sufficient financial resources to take up their respective entitlements under the Rights Issue of ICULS with Warrants and the excess ICULS with Warrants application (the Additional Undertaking in aggregate with the Irrevocable Undertaking), for up to RM65.00 million of ICULS pursuant to the Rights Issue of ICULS with Warrants.

In view of the Minimum Subscription Level, the Irrevocable Undertaking and the Additional Undertaking, we have not entered into any underwriting agreement in connection with the Rights Issue of ICULS with Warrants.

In the event that the Minimum Subscription Level is not achieved whereby the proceeds obtained from the Rights Issue of ICULS with Warrants falls below the minimum proceeds required, our Company will not continue to implement the Rights Issue of ICULS with Warrants. As a result, we will immediately return all monies received from our shareholders and/or the renouncee(s)/transferee(s) who have submitted their respective applications for the subscription of the ICULS with Warrants. Please refer to Sections 11.5 and 11.8 of this Abridged Prospectus for the procedures for refund.

As at the LPD, our Company does not have any other alternative fund raising plan other than borrowings in the ordinary course of business in the event the Minimum Subscription Level is not achieved. As stated in Section 10 of this Abridged Prospectus, other than the Rights Issue of ICULS with Warrants, our Company does not have any other corporate exercise which have been approved by our shareholders and/or regulatory authorities but not yet completed as at the LPD.

## **2.6 Implication of the Code**

In order to ensure that our Group is able to meet our funding requirements, our Company has approached our single largest shareholder, Mah Sau Cheong, who together with his spouse, Chin Lai Kuen, have provided the Irrevocable Undertaking and Additional Undertaking to subscribe for up to RM65.00 million of ICULS under the Rights Issue of ICULS with Warrants.

As at the LPD, Mah Sau Cheong directly holds 182,068,669 Shares representing approximately 18.34% of the issued share capital of 992,564,610 Shares. In view of the Irrevocable Undertaking and Additional Undertaking, and assuming:

- that the other Entitled Shareholders do not fully subscribe for their entitlements under the Rights Issue of ICULS with Warrants other than the Undertaking Shareholders who subscribe to meet the Minimum Subscription Level; and
- full or partial conversion of the ICULS during its tenure and/or full or partial exercise of the Warrants before its expiry, held by the Undertaking Shareholders into new Shares;

the shareholdings of Mah Sau Cheong and his PAC in Asian Pac may increase to more than 33% of the enlarged share capital of our Company. In this regard, Mah Sau Cheong and his PAC could be required pursuant to Section 218(2) of the CMSA and Paragraph 4.01 of the Rules to make the Offer. The potential minimum and maximum shareholdings of Mau Sau Cheong in Asian Pac after the Rights Issue of ICULS with Warrants are illustrated in Section 6 of this Abridged Prospectus.

Mah Sau Cheong and his PAC do not intend to make the Offer and had on 26 January 2017 submitted an application to the SC for the Exemption pursuant to Paragraph 4.08(1)(c) of the Rules.

On 14 February 2017, the SC has granted its approval on the same.

The Undertaking Shareholders have been advised of the implication of the Code and Rules as well as been informed to observe and comply at all times with the provisions of the Code and Rules.

### 3. RATIONALE FOR THE RIGHTS ISSUE OF ICULS WITH WARRANTS

Our Group is primarily involved in the property development and property investment industry. Therefore, our Company intends to increase its land bank for such activities in the future. It is currently evaluating several proposals on the acquisition of additional land banks in Malaysia and proposes to part finance the said acquisitions through the proceeds from the Rights Issue of ICULS with Warrants. Future information on the respective land acquisitions will be announced upon the execution of the relevant sale and purchase agreements.

After due consideration of the various funding options available to our Company, our Board is of the opinion that the Rights Issue of ICULS with Warrants is also an additional avenue to raise the funds required by our Group. The above was arrived at after taking into consideration the following:

#### At our Company/Group Level

- (i) the Rights Issue of ICULS with Warrants represents an opportunity for our Group to raise funds for its operations at a lower rate when compared to the normal interest rates from financing activities which will fluctuate depending on the economic environment. Further, since the coupon for the ICULS is fixed at 3% per annum on the value of the ICULS, our Group is in a better position to manage its cash flows more efficiently;
- (ii) as our Group is sourcing for land banks for development and investment, invariably some facilities would be raised to fund such activities and the proceeds from the Rights Issue of ICULS with Warrants represents the equity portion of the funding;
- (iii) our Group is also able to strengthen its eventual capital base upon conversion of the ICULS and the exercise of the Warrants in tandem with its expansion plans;
- (iv) our Company can raise additional funds for working capital and/or to part finance our Group's future acquisition of land when the Warrants are exercised into new Asian Pac Shares during the tenure of the Warrants; and
- (v) the issuance of the ICULS and Warrants will not have an immediate dilutive effect on the earnings and EPS of our Group (when compared to an issuance of new Shares through a private placement, amongst others).

#### For our shareholders

- (i) the ICULS serves as a way to reward the shareholders of our Company who subscribe for the ICULS which has an annual coupon rate;
- (ii) the Warrants will be issued at no cost to our Entitled Shareholders based on their respective entitlement to the Rights Issue of ICULS with Warrants to reward our shareholders for their continued support of our Company. Additionally, the Warrants will provide our Entitled Shareholders with a further incentive to subscribe for the ICULS;
- (iii) the issuance of the ICULS and Warrants on a rights basis will not dilute the percentage of shareholding of the existing shareholders of our Company (assuming that all our Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue of ICULS with Warrants and thereafter fully exercise their Warrants);
- (iv) during the tenure of the ICULS and Warrants, our Entitled Shareholders will have an option to further participate in the equity of our Company at a predetermined conversion price/exercise price based on the progress of our Group for the next 5 years; and

- (v) our Entitled Shareholders will have the opportunity to trade the ICULS and Warrants during the tenure as they will be listed on Bursa Securities. In this manner, it gives flexibility for our Entitled Shareholders with options to hold and/or to dispose of the securities during the next 5 years depending on their need for liquidity or their view on our Group's performance.

#### 4. USE OF PROCEEDS

The Rights Issue of ICULS with Warrants, if fully subscribed, is expected to raise gross proceeds of up to approximately RM99.26 million.

Our Company intends to use the proceeds arising from the Rights Issue of ICULS with Warrants in the following manner:

Item	Amount (RM'000)		Estimated timeframe for the use of proceeds from the completion of the Corporate Exercises (being the listing date of the ICULS and Warrants)
	Minimum Scenario	Maximum Scenario	
Acquisition of new land <sup>(1)</sup>	53,000	62,550	within 24 months
Working capital <sup>(2)</sup>	10,300	10,006	within 9 months
Repayment of bank borrowings <sup>(3)</sup>	-	25,000	within 3 months
Payment of estimated expenses in connection with the Corporate Exercises <sup>(4)</sup>	1,700	1,700	upon completion of the Corporate Exercises
<b>Total</b>	<b>65,000</b>	<b>99,256</b>	

Notes:

- (1) Presently, Asian Pac has a total of approximately 543.87 acres of undeveloped land bank as follows:

Location	Size (acres)
Mukim of Semenyih, District of Ulu Langat, Selangor	94.06
Mukim Labu, Daerah Seremban, Negeri Sembilan	399.84
Mukim Bandar Kundang, Gombak, Selangor	49.97

Although we currently still have some undeveloped land, we intend to build up our land banks for continuous long term growth. Further, our existing land banks are generally large land banks which are located in areas (as stated above) which are starting to mature as development continues to expand beyond the Klang Valley. Hence, it may not be timely to commence development of these areas aggressively premised on the current property market conditions. Nonetheless, we are of the view that there are opportunities abound in choice of locations and areas with growth potential in the Klang Valley, Kota Kinabalu, Johor and Penang. As such the proceeds will be utilised to fund or to partly fund such acquisitions in these locations. As at the LPD, we have yet to enter into any arrangements or agreements to acquire new land banks. Nevertheless, the potential land banks that are currently being considered by our Company are at various stages of negotiations such as preliminary stage and due diligence and feasibility study stage. In this regard, our Company will only enter into any sale and purchase agreement after the proceeds raised from the Rights Issue of ICULS with Warrants have been received as we will be in a stronger position to negotiate with the land owners with funds in place. Hence, subject to the evaluation of the feasibility study and finalisation of the terms and conditions of the acquisitions of the said land banks, our Company will make the appropriate announcements in compliance with the Listing Requirements, if required.

*Notes (Cont'd):*

- (2) We intend to utilise RM6.00 million to undertake road improvement works to ease the traffic leading to and from the car parks of IMAGO Shopping Mall in Kota Kinabalu, Sabah ("**Expenses for IMAGO**") and the balance for overhead expenses such as salaries, repair & maintenance, marketing expenses etc. The breakdown of the actual proceeds to be utilised for each component of working capital have not been determined as at the LPD save for the Expenses for IMAGO and the actual utilisation of the proceeds for each component of working capital may differ subject to the operating requirements at the time of utilisation.
- (3) We intend to pare down gearing at our Company level and the partial repayment of RM25.00 million (under the Maximum Scenario) of the borrowings at our Company level of RM50.00 million as at the LPD is expected to result in interest savings of approximately RM1.94 million per annum based on the average effective interest rate of 7.75% per annum.
- (4) The breakdown for the estimated expenses relating to the Corporate Exercises are as follows:

<b>Estimated expenses</b>	<b>Amount RM</b>
<i>Professional fees</i>	1,000,000
<i>Fees payable to the relevant authorities</i>	212,000
<i>Printing and advertisement</i>	350,000
<i>Miscellaneous</i>	138,000
<b>Total</b>	<b>1,700,000</b>

*Any surplus or shortfall of funds for the payment of expenses for the Corporate Exercises will be utilised for working capital or be funded from working capital respectively.*

Our Company intends to place the proceeds received from the Rights Issue of ICULS with Warrants into amongst others, the money markets and/or interest bearing account(s) such as fixed deposit accounts pending its utilisation.

The quantum of proceeds arising from the exercise of the Warrants is dependent on the actual number of Warrants exercised during the tenure of the Warrants. The proceeds arising from the exercise of the Warrants will be utilised as working capital and/or to part finance our Group's future acquisition of new land.

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## 5. FINANCIAL EFFECTS

### 5.1 Share capital of Asian Pac

The effects of the Rights Issue of ICULS with Warrants on the share capital of Asian Pac as at the LPD based on Minimum Scenario and Maximum Scenario are as follows:

Item	Minimum Scenario		Maximum Scenario	
	No. of Shares	Amount (RM)	No. of Shares	Amount (RM)
Share capital of Asian Pac as at the LPD	992,564,610	202,064,130 <sup>(a)</sup>	992,564,610	202,064,130 <sup>(a)</sup>
After the completion of the Rights Issue of ICULS with Warrants	992,564,610	202,064,130	992,564,610	202,064,130
New Shares to be issued from the conversion of all the ICULS	325,000,000	65,000,000	496,282,305	99,256,461
Share capital after full conversion of the ICULS	<b>1,317,564,610</b>	<b>267,064,130</b>	<b>1,488,846,915</b>	<b>301,320,591</b>
New Shares to be issued from the exercise of all the Warrants	130,000,000	38,865,467 <sup>(b)</sup>	198,512,922	59,438,537 <sup>(c)</sup>
Enlarged share capital	<b>1,447,564,610</b>	<b>305,929,597<sup>(d)</sup></b>	<b>1,687,359,837</b>	<b>360,759,128<sup>(e)</sup></b>

Notes:

- (a) Inclusive of existing share premium of RM3,551,208 as at 31 January 2017 pursuant to Section 618(2) of the Act.
- (b) Inclusive of share premium of RM12,865,467 as set out in Section 5.2 below, pursuant to Section 618(2) of the Act.
- (c) Inclusive of share premium of RM19,735,952 as set out in Section 5.2 below, pursuant to Section 618(2) of the Act.
- (d) Inclusive of share premium of RM16,416,675 pursuant to Section 618(2) of the Act.
- (e) Inclusive of share premium of RM23,287,160 pursuant to Section 618(2) of the Act.

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## 5.2 NA, NA per Share and gearing

The proforma effects of the Rights Issue of ICULS with Warrants on the NA, NA per Share and gearing of our Group based on the latest audited consolidated financial statements of Asian Pac as at 31 March 2016 and assuming that the Rights Issue of ICULS with Warrants had been effected on 31 March 2016 are as follows:

### Minimum Scenario

Group level	As at 31 March 2016 (RM'000)	(I) After the completion of the Rights Issue of ICULS with Warrants (RM'000)	(II) After (I) and full conversion of the ICULS (RM'000)	After (II) and the exercise of all the Warrants (RM'000)
Share capital	198,513	198,513	263,513	289,513
Share premium*	3,551	3,551	3,551	16,416
ICULS – Equity component	-	49,090 <sup>(1)(3)</sup>	-	-
Warrants reserve	-	6,365 <sup>(2)(3)</sup>	6,365	-
Other reserves	3,334	3,334	3,334	3,334
Retained earnings	656,918	656,918	648,853 <sup>(4)</sup>	648,853
<b>NA</b>	<b>862,316</b>	<b>917,771</b>	<b>925,616</b>	<b>958,116</b>
No. of Shares ('000)	992,565	992,565	1,317,565	1,447,565
NA per Share (RM)	0.87	0.92	0.70	0.66
Borrowings	381,061	381,061	381,061	381,061
ICULS – Liability component	-	7,845 <sup>(1)(3)</sup>	-	-
<b>Total borrowings</b>	<b>381,061</b>	<b>388,906</b>	<b>381,061</b>	<b>381,061</b>
Gearing (times)	0.44	0.42	0.41	0.40

#### Notes:

\* Our Company is adopting the Frequently Asked Questions (enforcement date of the Act and transitional issues) which was updated by the Companies Commission of Malaysia on 3 April 2017, that allows compliance with Companies Act, 1965 for financial statements for annual periods ended before 30 January 2017 and with its accompanying reports dated before 31 July 2017.

(1) The ICULS – Equity component was computed based on RM65.00 million of ICULS issued under the Rights Issue of ICULS with Warrants of RM65.00 million and net of the ICULS – Liability component, warrants reserve and proportionate estimated expenses which were all computed in accordance with the FRS.

(2) Computed based on the number of Warrants issued pursuant to the Rights Issue of ICULS with Warrants of 130,000,000 times the fair value of the Warrants as at the LPD of RM0.0568 based on the Trinomial Option Pricing Model (Source: Bloomberg) and net of estimated expenses.

(3) After deducting estimated expenses in relation to the Corporate Exercises of RM1.70 million in accordance with FRS 132 where the estimated expenses are allocated in proportion to the allocation of proceeds, which were computed in accordance with the FRS. Further details of the estimated expenses in relation to the Corporate Exercises are set out in Section 4 of this Abridged Prospectus.

(4) After deducting costs in relation to the conversion of the ICULS to be set-off against the retained earnings of our Company.

**Maximum Scenario**

Group level	As at 31 March 2016 (RM'000)	(I) After the completion of the Rights Issue of ICULS with Warrants (RM'000)	(II) After (I) and full conversion of the ICULS (RM'000)	After (II) and the exercise of all the Warrants (RM'000)
Share capital	198,513	198,513	297,769	337,472
Share premium*	3,551	3,551	3,551	23,287
ICULS – Equity component	-	75,655 <sup>(1)(3)</sup>	-	-
Warrants reserve	-	9,811 <sup>(2)(3)</sup>	9,811	-
Other reserves	3,334	3,334	3,334	3,334
Retained earnings	656,918	656,918	645,407 <sup>(4)</sup>	645,407
<b>NA</b>	<b>862,316</b>	<b>947,782</b>	<b>959,872</b>	<b>1,009,500</b>
No. of Shares ('000)	992,565	992,565	1,488,847	1,687,360
NA per Share (RM)	0.87	0.95	0.64	0.60
Borrowings	381,061	356,061 <sup>(5)</sup>	356,061	356,061
ICULS – Liability component	-	12,090 <sup>(1)(3)</sup>	-	-
<b>Total borrowings</b>	<b>381,061</b>	<b>368,151</b>	<b>356,061</b>	<b>356,061</b>
Gearing (times)	0.44	0.39	0.37	0.35

**Notes:**

- \* Our Company is adopting the Frequently Asked Questions (enforcement date of the Act and transitional issues) which was updated by the Companies Commission of Malaysia on 3 April 2017, that allows compliance with Companies Act, 1965 for financial statements for annual periods ended before 30 January 2017 and with its accompanying reports dated before 31 July 2017.
- (1) The ICULS – Equity component was computed based on RM99,256,461 of ICULS issued under the Rights Issue of ICULS with Warrants of RM99,256,461 and net of the ICULS – Liability component, warrants reserve and proportionate estimated expenses which were all computed in accordance with the FRS.
- (2) Computed based on the number of Warrants issued pursuant to the Rights Issue of ICULS with Warrants of 198,512,922 times the fair value of the Warrants as at the LPD of RM0.0568 based on the Trinomial Option Pricing Model (Source: Bloomberg) and net of estimated expenses.
- (3) After deducting estimated expenses in relation to the Corporate Exercises of RM1.70 million in accordance with FRS 132 where the estimated expenses are allocated in proportion to the allocation of proceeds, which were computed in accordance with the FRS. Further details of the estimated expenses in relation to the Corporate Exercises are set out in Section 4 of this Abridged Prospectus.
- (4) After deducting costs in relation to the conversion of the ICULS to be set-off against the retained earnings of our Company.
- (5) After repayment of RM25.00 million bank borrowings at our Company level.

Please refer to Appendix III of this Abridged Prospectus for the proforma consolidated statement of financial position of Asian Pac as at 31 March 2016 together with the Reporting Accountants' Report thereon for further details.

### **5.3 Earnings and EPS**

Other than the estimated expenses to be incurred by our Company to carry out the Rights Issue of ICULS with Warrants, the Rights Issue of ICULS with Warrants is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 March 2017.

Further, earnings and EPS of our Group will be reduced by the ICULS coupon interest expense of approximately RM1.95 million per annum and approximately RM2.98 million annually based on the Minimum Scenario and Maximum Scenario, respectively, during the tenure of the ICULS.

You should note that any increase in the number of Asian Pac Shares following the conversion of the ICULS and/or the exercise of the Warrants will dilute our EPS if our Group's earnings does not increase in tandem with the increase in the number of Shares in issue.

Further, the conversion of the ICULS and/or exercise of the Warrants may affect the EPS in the future financial years depending on the level of returns to be generated from the use of the proceeds raised from the Rights Issue of ICULS with Warrants.

Barring unforeseen circumstances, the proposed use of proceeds arising from the Rights Issue of ICULS with Warrants is expected to contribute positively to our Group's future earnings.

### **5.4 Convertible securities**

As at the LPD, our Company does not have other convertible securities.

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## 6. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue of ICULS with Warrants on the substantial shareholders' shareholding are as follows:

### Minimum Scenario

Substantial shareholder	As at the LPD				(I) After the completion of the Corporate Exercises			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)
Mah Sau Cheong	182,069	18.34	5,260 <sup>(1)</sup>	0.53	182,069	18.34	5,260 <sup>(1)</sup>	0.53

Substantial shareholder	(II) After (I) and full conversion of the ICULS <sup>(2)</sup>				After (II) and the exercise of all the Warrants <sup>(3)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)
Mah Sau Cheong	497,943	37.79	14,386 <sup>(1)</sup>	1.09	624,293	43.13	18,036 <sup>(1)</sup>	1.25

Notes:

- (1) Deemed interested by virtue of his spouse pursuant to Section 8 of the Act.
- (2) Assuming that none of the other Entitled Shareholders subscribe for their entitlements under the Rights Issue of ICULS with Warrants other than the Undertaking Shareholders.
- (3) Assuming that Mah Sau Cheong and his spouse, Chin Lai Kuen, do not sell their respective Warrants and that they exercise all of their respective Warrants.

### Maximum Scenario

Substantial shareholder	As at the LPD				(I) After the completion of the Corporate Exercises			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)
Mah Sau Cheong	182,069	18.34	5,260 <sup>(1)</sup>	0.53	182,069	18.34	5,260 <sup>(1)</sup>	0.53

Substantial shareholder	(II) After (I) and full conversion of the ICULS <sup>(2)</sup>				After (II) and the exercise of all the Warrants <sup>(3)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)
Mah Sau Cheong	273,103	18.34	7,890 <sup>(1)</sup>	0.53	309,517	18.34	8,942 <sup>(1)</sup>	0.53

*Notes:*

- (1) *Deemed interested by virtue of his spouse pursuant to Section 8 of the Act.*
- (2) *Assuming that all our Entitled Shareholders subscribes in full for their respective entitlements under the Rights Issue of ICULS with Warrants.*
- (3) *Assuming all Entitled Shareholders do not sell their respective Warrants and that they exercise all of their respective Warrants.*

## **7. OUTLOOK AND PROSPECTS OF OUR GROUP**

### **7.1 Outlook of the Malaysian economy**

Global economic activity is projected to expand at a faster pace in 2017, supported by an expansion in domestic demand in the advanced and emerging market economies, and expectations of a recovery in trade activity in the emerging regions. The outlook would be supported by expansionary fiscal plans in selected major economies and recovery in commodity prices. Despite these positive signs, the overall outlook for the global economy still has signs of fragility given its high susceptibility to adverse shocks.

Positive prospects for the Malaysian economy in 2017 are premised upon expectations of an improving global economy and the continued growth in domestic demand. The Malaysian economy is projected to register growth of 4.3% - 4.8% in 2017 (2016: 4.2%).

The improvement in global growth is expected to generate positive spill-overs to the domestic economy through the trade, investment and income channels. Malaysia's export performance will benefit from higher growth among key trading partners and the projected recovery in commodity prices.

On the domestic front, investment activity is expected to be underpinned by capital expenditure in the export-oriented industries, particularly in the manufacturing sector. This, together with the continued roll-out of large-scale infrastructure projects will support investment activity going forward.

Private consumption is projected to expand by 6.0% in 2017. While households are likely to make further expenditure adjustments in response to rising inflationary pressure, consumption spending is expected to remain sustained, supported by a stable labour market and continued wage growth. The implementation of selected Government measures are also expected to increase household disposable income. These measures include the higher amount of *Bantuan Rakyat 1Malaysia* cash transfers, reduction in employees' contribution to Employees Provident Fund by 3 percentage points until December 2017 as well as the special assistance to all civil servants (RM500) and retirees (RM250). The higher commodity prices are also expected to support incomes, particularly for rural households.

Private investment is projected to register a modest growth of 4.1% in 2017, as firms are expected to remain cautious amidst continued uncertainty in the economic environment. Nevertheless, private investment will remain supported by implementation of on-going and new projects, particularly in the services and manufacturing sectors.

In the services sector, investment activity will be mainly supported by continued capacity expansion in the domestic-oriented industries, particularly in the telecommunications and real estate sub-sectors. Investments in storage facilities will also contribute to investment growth in the services sector. In tandem with the gradual improvement in global growth, investment in the manufacturing sector is expected to be driven primarily by export-oriented industries, especially the electrical and electronics (“E&E”) and resource-based sub-sectors. Specifically, capital spending in the E&E sector will be supported by the manufacturing of products in the higher-value added segments. Following the improvement in global crude oil prices, mining investment is expected to register a smaller contraction in 2017.

Public consumption growth is expected to register a marginal contraction of 0.2% in 2017, as the Government continues to reprioritise spending and reduce non-critical expenditure. The more prudent spending on supplies and services is expected to weigh on overall growth despite the continued expansion in emoluments.

Public investment is projected to expand by 1.5%, driven by higher capital expenditure by both the Government and public corporations. This reflects the continued implementation of key infrastructure projects in diversified sectors, including in the utilities and transportation sub-sectors, as well as the downstream oil and gas sector.

The transport and storage sub-sector will benefit from higher air passenger traffic, commencement of the Mass Rapid Transit (MRT) services and the improvement in trade activity. In the *information and communication* sub-sector, growth will be supported by strong demand for internet and digital services. Growth in the *finance and insurance* sub-sector is, however, anticipated to remain subdued in tandem with the moderate loan growth.

Growth in the construction sector is projected to expand at a faster pace in 2017, driven mainly by new and existing civil engineering projects in the utilities, transportation and petrochemical segments.

The Malaysian economy's strengths are derived from its highly diversified economic structure, resilient external position and policy flexibility. Financial intermediation will remain supportive of growth, underpinned by strong bank balance sheets and a well-developed financial market. Looking ahead, the challenging global environment necessitates continued emphasis on enhancing the nation's economic resilience and broadening growth sources. Efforts are being intensified to rebuild policy space, proactively address potential vulnerabilities and unlock the potential of new growth areas. These structural reforms and pre-emptive policy measures are envisaged to provide greater support to Malaysia's future growth prospects.

(Source: *Outlook and Policy 2017 in the Annual Report 2016 issued by Bank Negara Malaysia on 23 March 2017*)

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## 7.2 Overview and prospects of the Malaysian property market

Market volume recorded at 320,425 transactions worth RM145.41 billion in 2016, down by 11.5% in volume and 3.0% in value against 2015 (362,105 transactions worth RM149.90 billion). Residential sub-sector dominated the overall market, with 63.4% contribution in volume and 45.1% in value. This was followed by agriculture (21.6%), commercial (7.4%), development land (5.9%) and industrial (1.8%).

### Residential property

There were 203,064 transactions (2015: 235,967) worth RM65.57 billion (2015: RM73.47 billion) recorded in the review period, declined by a higher rate of 13.9% in volume and 10.7% in value as compared with 2015. Performance of states was not encouraging as all charted declines in market activity except for Kelantan.

By price range, all price brackets showed contractions in market activity. Transactions in RM100,000 and below range recorded the highest contraction whereas RM300,000 to RM500,000 showed the least though it was still negative regime.

### Commercial property

There were 23,745 transactions worth RM35.94 billion recorded, down by 25.3% in volume but value increased by 36.1% as several prominent sales were recorded in the year involving office buildings, shopping complexes and hotels. All states recorded lacklustre performance.

### Shop

Shop sub-sector recorded 12,881 transactions (2015: 17,181) worth RM9.39 billion (2015: RM13.31 billion), dominating 54.2% of the commercial property transactions and 26.1% of the total value. Its market activity reduced by 25.0% whilst value dropped 29.4%. The discouraging performance of states, ranging from contraction 11.5% to 75.0%, contributed to the downtrend.

### Shopping complex

Six shopping complexes transactions worth RM918.22 million were recorded during the review period; three in Kuala Lumpur, two in Negeri Sembilan and one in Johor. The significant ones that concluded in 2016 though sale agreement dated 2015 were the Intermark Mall at Jalan Tun Razak and Odeon Cinema and Houz Depot at Jalan Tuanku Abdul Rahman as well as Mydin Mall at Seremban 2. The 2016 transactions were The Store at Bandar Baru Sri Petaling, AEON Seremban and Super Cowboy Wholesales.

### Outlook for 2017

2016 conundrums are expected to reverberate onto 2017. It would be expected that the property market would take a breather in the next couple of years before it could make a comeback. Nevertheless, the 4.2% gross domestic product (GDP) growth indicated economy was still growing despite challenging global and domestic environment and should post a silver lining to the property market.

Apart from that, the decision by Bank Negara Malaysia to maintain the overnight policy rate at 3% would ensure that monetary policy is accommodative and supportive of economic activity at large and property industry.

The allocation of RM2.1 billion for infrastructure and socioeconomic development in the five economic corridors, namely, Iskandar Malaysia, Northern Corridor Economic Region (NCER), East Coast Economic Region (ECER), Sabah Development Corridor (SDC) and Sarawak Corridor of Renewable Energy (SCORE) would help support property market activity. The operation of MRT Sungai Buloh - Kajang MRT line (Phase 1) in December 2016 and July 2017 (Phase 2) would enhance accessibility and improve marketability of areas along the line routes.

The signing of memorandum of understanding between Malaysia and Singapore for High-Speed Rail (HSR) project marked a historical milestone for the country.

The HSR which is expected to pass through six transit locations namely Putrajaya, Seremban, Ayer Keroh, Muar, Batu Pahat and Iskandar Puteri, will cut the travel time between Kuala Lumpur and Singapore to 90 minutes. Another major game-changer is the East Coast Rail Link (ECRL), which runs from Port Klang across Pahang, Kelantan and Terengganu, is expected to improve connectivity from 12-hour journey by road to a four-hour one by rail. Both rail projects would change the economic landscape of the adjacent vicinity and entail better prospects for the property market.

Property market would have to endure another challenging year in 2017. With the implementation of various property-related incentives and accommodative monetary policy, the performance of property sector would sustain.

#### **Outlook for the residential property sub-sector**

As the leading sub-sector in property market, the focus is mainly concentrated on the residential segment, particularly on the affordability housing. Various incentives have been announced in Budget 2017 which would support the residential sub-sector.

The 50% stamp duty exemption on instruments of transfer and housing loan agreement for the purchase of first home not exceeding RM500,000, which ended 31 December 2016, has been extended with improvisation. From 1 January 2017 to 31 December 2018, stamp duty exemption is raised to 100% but is limited to first homes priced up to RM300,000. This measure would not only support first time home buyers but also the residential sector provided more homes within the price range are offered in the market.

For the primary market, new launches are expected to be soft in the coming year as developers and households' confidence alike need to be restored. On that note, developers should take a step back, reflect and review the products that they plan to launch. With the right product and pricing, the issue on low sales performance could be better managed.

#### **Outlook for the commercial property sub-sector**

The commercial sub-sector though accounted for only 7% of the market activity, in term of value the sub-sector was the second leading contributor. Apart from that, commercial sector is seen as the income generation not just for the property segment but to the services sector. The business confidence index indicators offers little assistance in boosting the confidence of the business circle amidst the uncertainty looming over the political and economic climate.

The ample future supply should post a cautionary note to the industry so as not to infringe the overbuilding zone. With the on-going development of Tun Razak Exchange, Bandar Malaysia, Bukit Bintang City Centre amongst the mega ones, the industry and related approving agencies should give thorough consideration in approving future projects involving office buildings and retail complexes within the vicinity. The oversupply could detriment the rental market and affecting the future appreciation on its worth.

*(Source: Property Market Report 2016, Valuation and Property Services Department, Ministry of Finance)*

### 7.3 Prospects of our Group

Notwithstanding the weak economic indicators and cautious consumer sentiments on the already challenging property sector, we believe that the slowdown will be manageable given the right product, location, pricing and target clientele. We currently have three active divisions contributing to our Group's results, namely, property development, mall operations and car park operations.

Therefore, as at the LPD, we plan to manage the challenging property market sector by focusing on the following mixed development projects over the next 3 years:

- **Fortune Centra Residences** in Kepong, Kuala Lumpur – which comprise shoplots, office and service apartments with an estimated gross development value of RM326.0 million;
- **The Zil** in Kota Kinabalu, Sabah – which comprise shoplots, terrace houses and service apartments with an estimated gross development value of RM263.0 million; and
- Damansara Damai (with the proposed name of **Ava Damansara**) – which comprise shoplots and service apartments with an estimated gross development value of RM329.0 million,

which amounts to an estimated total gross development value of RM918.0 million.

Further, our Group's income will also be supplemented from the mall operations at Imago Shopping Mall, Kota Kinabalu, Sabah, and the car park operations at Karamunsing Capital, KK Times Square Phase 1 and Imago Shopping Mall car park, KK Times Square Phase 2 all located in Kota Kinabalu, Sabah, which are recurring income in nature. The Imago Mall opened in March 2015 and its occupancy rate has increased to 89% in 2016. We target to achieve 95% occupancy rate by end of 2017. Hence, we expect to remain on steady growth for this division, given that our Group emphasises on continually engaging with the mall's tenants, being proactive in encouraging feedback and customer service, and constantly improving traffic flow and safety in the parking bays.

Premised on the above and amidst the current difficult economic environment, we are cautiously optimistic of our Group's financial performance in the next 12 months.

*(Source: 2016 Annual Report of Asian Pac and the Management of our Company)*

## 8. RISK FACTORS

Before subscribing for or investing in the Rights Issue of ICULS with Warrants, you and/or your renouncee(s)/transferee(s) (as the case may be) should carefully consider the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this Abridged Prospectus.

### 8.1 Risks relating to our business

#### (a) Performance of the property development and property investment sectors

Our Group's financial performance is largely dependent on the performance of the property market in Malaysia, as we are principally engaged in the provision of property investment and development; shopping mall and car park operations.

The performance of property development segment is dependent on the economic growth, property market demand as well as the policies related to the industry implemented by our Government. For example, higher property gains tax rate, removal of developer interest bearing scheme to curb speculative activities in the secondary property market and a lower maximum loan-to-value ratio of 70% for 3<sup>rd</sup> home purchases to reduce the increasing household debt to service ratios. Such measures may have an impact to our Group's property development business and our financial performance.

Fluctuations in interest rate may also affect the demand for properties as higher interest rates may lead to an increase in the price of properties for prospective buyers, which may adversely affect the demand for our Group's properties.

According to the Property Market Report 2016 issued by the Valuation and Property Services Department of the Ministry of Finance, the property market is expected to remain challenging in 2017 but sustainable with the implementation of various property-related incentives and accommodative monetary policy. Our Group also believes that the challenging market conditions will be manageable given the right product, location, pricing, timing of delivery and target clientele.

Income from mall operations is largely dependent on the performance in the tourism industry and consumer spending. Therefore, the risks inherent in our mall operations may include:

- (i) seasonality, international and domestic tourism industry;
- (ii) competition from existing malls in Kota Kinabalu;
- (iii) changes in demand of tenants and oversupply of malls; and
- (iv) changes in the consumers' preference for product types.

Our Group seeks to limit the risks which are within our control, by proactively managing the daily operations effectively and efficiently as well as to continuously engage our customer's need and requirements. In reviewing our Group's operation and strategy, we strive to adopt prudent cost control measures and monitor the changing market demand as part of the continuous review of the initiative.

However, there is no assurance that the measures taken will be sufficient to mitigate the risks. Any shortfall or changes to these factors may have a material adverse impact on our business and financial performance.

**(b) Difficulty in sourcing suitable land banks for development**

As at the LPD, our Group has 543.87 acres of undeveloped land banks. To ensure sustainable growth and profitability for our Group in the future, we would need to look into the development of our existing land banks as well as to build up our land banks by acquiring suitable land with development potential. Hence, a major portion of the proceeds from the Rights Issue of ICULS with Warrants will be used to acquire new land banks. However, we face competition from other property developers in identifying and acquiring strategically located land banks at viable prices. These demand had resulted in scarcity of strategically located land in prime locations in Malaysia.

Presently, our Company is actively sourcing for new land banks to be acquired to ensure that we are able to acquire the land banks after the proceeds from the Rights Issue of ICULS with Warrants have been received. In this regard, we have also appointed property agents to assist us in sourcing for suitable land banks in the Klang Valley, Kota Kinabalu, Johor and Penang. In the unlikely event that our Company is unable to acquire new land banks within 24 months after the listing of the ICULS and Warrants, we will seek the necessary approvals to use the funds raised to carry out joint venture with landowners.

Further, sourcing of land banks depends upon various factors such as size, price suitability, location and supply of these sizeable land banks in growth areas. There is no assurance that our Group is able to identify and acquire attractive land banks at commercially acceptable prices and this could potentially affect our profitability and our prospects in the future.

**(c) Competition and new market entrants**

Our Group faces competition both in the local and global markets as well as from existing players and/or potential new entrants to property development sector and shopping mall operation segment.

Our Group's competitiveness is dependent on the ability of our management to secure strategically located and reasonably priced land banks, cost of buildings materials, ability to employ skilled labour, quality of development and reliability of our contractors, timely delivery of our projects and ability to price our development properties competitively. Further, we face competition from other mall operators in Kota Kinabalu on our ability to continuously offer an attractive and competitive leasing rate for our tenants.

In view of this, our Group continues to take measures to improve our reliability and quality of products and services and developing innovative marketing strategies for our shopping mall to stand out from other players in the market. We also continuously monitor and adjust our operational and marketing strategies in tandem to the changing economic conditions and enhance our services to meet the challenging market conditions from time to time.

We have proven sales track record for our properties delivering:

- (i) the Fortune series in Kepong comprising commercial shops / offices, terrace and semi-detached houses as well as apartments / condominiums;
- (ii) the Levenue Residences 1 and 2 in Desa Parkcity, Selangor comprising terrace and semi-detached houses;
- (iii) the Karamunsing Capital, KK Times Square 1 and 2 in Kota Kinabalu, Sabah comprising shops / offices, condominiums, external shops and a mall;
- (iv) the Prima Sri Gombak in Sri Gombak, Selangor comprising shops / offices;
- (v) the Sutera Bukit Tunku, Kuala Lumpur comprising luxurious condominiums; and
- (vi) the Dataran Larkin in Larkin, Johor comprising 3 to 4 storeys shops / offices.

Despite our track record and continuous efforts in monitoring and adjusting our operational and marketing strategies in tandem with the economic sentiment and changing market demand from time to time, there can be no assurance that we would be able to sustain our competitiveness against our competitors.

**(d) Dependence on third party contractors and/or suppliers**

Our property development business is dependent on the support of third party contractors and/or suppliers to ensure continuous supply of labour and construction materials.

Although our Group is not dependent on any third party contractor, any sub-standard performance of the third party contractors and their inability to supply sufficient labour and quality services may result in an increase in the overall construction costs and/or disrupt the construction progress and could cause a delay in completion of projects.

Further, our Group's business is highly dependent on the supply of materials such as steel, cement, sand and tiles which represent a significant portion of our total development costs. The supply of such materials may be affected by external factors such as local and global market conditions and changes to our Government's regulations or policies. This, in turn, will affect the pricing of the construction materials which may affect our Group's profit margins if our Group is unable to pass on such increase in costs to our customers. Hence, it may have an adverse effect on our profitability and financial performance of our Group.

Despite the above, our Group continuously take on measures to address any increases in the cost of materials and to ensure our Group is able to procure sufficient amount of materials on commercially acceptable terms for its development projects.

**(e) Unforeseen delays in project completion**

Unforeseen circumstances such as natural disasters, major changes in government or local authorities' approval policies, delays in obtaining the necessary approvals from local authorities, severe shortage of construction materials, adverse weather conditions and unsatisfactory performance of the building contractors may delay the completion of our property development projects.

If any of the above circumstances occurs, it may result in delays and disrupt the construction progress and/or quality of our property development projects. This may result in additional costs incurred such as potential claims by purchasers, costs to repair defects and higher material and labour costs which may adversely affect our Group's operating results and performance.

Our Group seeks to mitigate such risk by constantly monitoring our projects' progress and working closely with the suppliers, contractors and/or authorities, adopting prudent measures in selecting contractors such as taking into consideration their experience, track record, qualifications and financial resources to ensure the timely and satisfactory completion of our property development projects.

**(f) Political, economic and regulatory risks**

Our Group's financial performance and business prospects will depend on a certain extent, the development in the economy, political and regulatory front. Amongst the economic, political and regulatory factors are changes in inflation rates, interest rates movements and gradual tightening of credit conditions, war, terrorism activities, riots, demand in tourism industry, level of disposable income of consumers, expropriations or unfavourable changes in the government's policies in the industries that our Group operates.

Our Group will continue to monitor the political, economic and regulatory condition; abiding with all the relevant regulatory conduct and procedures as well as adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors, where applicable. However, there is no assurance that the measures taken would be adequate to mitigate the risk and any shortcomings may have an adverse impact to our Company in the future.

**(g) Compulsory acquisition of land by the Government**

There is an inherent risk that our Group's development or existing land banks may be compulsorily acquired by the Government due to public interest.

If all or any portion of our development or land banks are compulsorily acquired by the government, the amount of compensation paid to our Group may be less than the market value of the land and/or the purchase consideration that we have paid in acquiring such land. Hence, our Group's business, financial condition, profitability and prospects may be adversely affected.

Save and except for the letter dated 21 March 2017 on the compulsory acquisition by the Government of a piece of our land for the Mass Rapid Transit (MRT) project for the Sungai Buloh – Serdang - Putrajaya route, we have not received any notice of compulsory acquisition from the Government in respect of our development or land banks. The aforesaid compulsory acquisition is not material as the size of the land to be acquired is only approximately 3,646.53 square metres.

**8.2 Risks relating to our Group**

**(a) Borrowings and financing risks and fluctuations in interest rate**

Our Group's total bank borrowings as at LPD amounted to approximately RM393.03 million, all of which are interest-bearing borrowings. As such, any additional borrowings and/or increase in interest rates may result in an increase in interest expense, which may affect our profitability.

Our credit facilities are subject to periodic review by the banks or financiers and contain certain restrictive covenants which may limit our operating and financing flexibility. Any breach of such covenants may give a right to the banks or financiers to stop the relevant credit facilities and/or enforce any security granted in relation to those credit facilities. This may in turn cause a cross default of other credit facility agreements. As these covenants are commonly contained in credit facility agreements of this nature, we will continue to monitor and ensure compliance with all such covenants.

**(b) Dependency on key personnel**

Our Group's continuing success will depend on, to a significant extent, on the experience, knowledge, abilities and continued efforts of our existing Directors as well as our key management and key technical personnel. The loss of any Director or key personnel without timely replacement or the inability of our Group to attract and retain other qualified personnel, could adversely affect our Group's operations.

Our Group will persevere in adopting appropriate approaches to attract and retain key personnel by providing competitive remuneration packages and on-going training and development programmes and putting the succession plan in place to mitigate this risk.

However, there is no assurance that we would be successful in retaining our existing Directors and key personnel or that there will be a smooth transition if changes occur, which may have an adverse effect on our Group.

**(c) Costs for maintenance/improvements/upgrades**

Our development properties (including facilities in our property development projects), shopping mall and car park operations may require constant maintenance, improvements and/or upgrades to attract our customers, tenants and/or lessees. Therefore, we may be required to incur substantial capital expenditure to continuously maintain or upgrade our properties. Our management also needs to keep abreast with the latest development in property development, shopping mall and car park operations.

We will take necessary steps to ensure sufficient allocations for capital expenditure to maintain and/or upgrade our properties where necessary. However, there is no assurance that the above measures will be able to secure customers or tenants and/or lessees for our development properties and shopping mall.

**(d) Safety, security and health risk**

Our employees, customers and tenants of shopping malls may be exposed to natural and man-made threats which may include fire, day-to-day accidents and petty crime. Such incidences could result in clean-up and remediation costs as well as loss of lives and/or injuries to our employees, customers and/or tenants as well as negative consequences. The compensation claims, fines from regulatory bodies, litigation and impact to our Group's reputation may adversely affect our Group's business, prospects and financial results of our Group.

Nevertheless, our Group seeks to minimise these risks by ensuring that our properties are sufficiently insured and adequately meet the required safety, security and health standards by conducting routine safety and security assessments on those properties.

**8.3 Risks relating to the Rights Issue of ICULS with Warrants****(a) Investment risk**

The market price of Asian Pac Shares is influenced by, amongst others, prevailing stock market sentiments, the volatility of the stock market, the liquidity of the Shares, movements in interest rates, our financial performance and future profitability, government regulations, legislations, duties and taxation as well as the future outlook of the industries in which our Group operates.

The market price of the ICULS and Warrants, like all listed securities traded on Bursa Securities, being new issue of securities is subject to, amongst others, price discovery by investors, fluctuation in tandem with the overall outlook of stock market in Malaysia and globally, and will be influenced by, amongst others, the market price, potential payments of dividends and volatility of the Asian Pac Shares, and the remaining conversion period of the ICULS and the remaining exercise period of the Warrants.

Accordingly, there is no assurance that the market price of the ICULS and Warrants will be at a level that meets the specific investment objectives of the subscribers of the Rights Issue of ICULS with Warrants; and that the conversion price of the ICULS and/or the exercise price of the Warrants will be in-the-money during the tenure of the conversion period of the ICULS and/or exercise period of the Warrants.

**(b) No prior market**

There is no prior market for the ICULS and Warrants, and as such there is no assurance that an active market for the ICULS and Warrants will develop upon its listing and quotation on the Main Market of Bursa Securities, or, if developed, that such a market is sustainable or adequately liquid during the tenure of ICULS and Warrants. The ICULS and Warrants will be traded on Bursa Securities at prices which are dependent upon market forces and may be beyond the control of our Company.

**(c) Repayment risks of the ICULS**

The ICULS shall constitute direct, unsecured and unconditional obligations of Asian Pac and subject to the provisions contained in the Trust Deed. The ICULS will at all times rank equally, without discrimination, preference or priority amongst themselves and with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of Asian Pac, subject only to those preferred by mandatory provisions of law.

In the event of the ICULS becoming payable upon the occurrence of an event of default pursuant to the terms of the Trust Deed or winding-up or liquidation of our Company, the amount which is immediately due and payable by our Company to the ICULS holders shall be the value of the outstanding ICULS together with all accrued interest to the holders of the ICULS, or an amount which the holders of the ICULS may prove for in the liquidation of our Company. There is no assurance that the financial performance of our Group would be profitable and be able to sustain at a satisfactory level to make such payment to ICULS holders.

Our Company will endeavour and use our best efforts to comply with the provisions as set out in the Trust Deed to avoid any event of default.

**(d) Delay in or cancellation of the Rights Issue of ICULS with Warrants**

The Rights Issue of ICULS with Warrants is exposed to risk that it may be cancelled or delayed due to, amongst others, the following events:

- (i) our Company is unable to meet the public spread requirements for the ICULS, which is a minimum 100 ICULS holders holding not less than 1 board lot;
- (ii) our Company is unable to meet the public spread requirements for the Warrants, which is a minimum of 100 Warrant holders holding not less than 1 board lot;
- (iii) the Undertaking Shareholders who have given the Irrevocable Undertaking and Additional Undertaking fail to or do not fulfil their obligations; or
- (iv) material adverse change of events or circumstances which are beyond the control of our Company and advisers, arises prior to the implementation of the Rights Issue of ICULS with Warrants.

In the event the Rights Issue of ICULS with Warrants is cancelled, our Company will repay, without interest, all monies, received from the applicants in accordance with Section 243(2) of the CMSA. If the monies are not repaid within 14 days after our Company becomes liable to repay, our Company will repay such monies with interest at an annual rate of 10% or such other rates as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

Despite the above, our Company will use our best efforts to ensure the successful implementation of the Rights Issue of ICULS with Warrants. However, there can be no assurance that the abovementioned events will not cause a delay in or failure of the Rights Issue of ICULS with Warrants.

**(e) Potential dilution**

Our Entitled Shareholders who do not or are not able to accept their provisional allotment of ICULS with Warrants will have their proportionate ownership and voting interest in our Company reduced, as the percentage of their shareholdings will be reduced accordingly with our enlarged share capital.

**(f) Forward-looking statements**

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions and estimates made by our management and our Board which are reasonable at that time. However, they are subject to risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to differ materially from such forward looking statements stated in this Abridged Prospectus. Such factors include, among others, the risk factors set out in Section 8 of this Abridged Prospectus.

In light of these uncertainties, the inclusion of forward statements in this Abridged Prospectus must not be regarded as a representation or warranty by our Company and/or the Principal Adviser that our Group's plans and objectives will be achieved.

## **9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS**

### **9.1 Working capital**

Our Board is of the opinion that, based on the banking facilities currently available to our Group, our Group's cash balance, the expected internally generated funds from our business operations as well as the proceeds to be raised from the Rights Issue of ICULS with Warrants, our Group has sufficient working capital for a period of 12 months from the date of this Abridged Prospectus to meet our present and foreseeable future requirements.

### **9.2 Borrowings**

As at the LPD, our Group has a total outstanding borrowings of approximately RM393.03 million, all of which are interest bearing, the details are as follows:-

	<b>Total (RM'000)</b>
<b>Short term borrowings:</b>	
Terms loans and revolving credits	111,954
Obligation under finance lease	380
<b>Long term borrowings:</b>	
Term loans	280,082
Obligation under finance lease	618
<b>Total borrowings</b>	<b>393,034</b>

All outstanding borrowings are denominated in RM.

There is no non-interest bearing and/or foreign currency denominated borrowings as at the LPD.

There has been no default on payment of either interest or principal sums for any borrowing, throughout the past FYE 31 March 2016, and the subsequent financial period up to the LPD.

### 9.3 Contingent liabilities

Except as disclosed below, as at the LPD, there are no other contingent liabilities incurred or known to be incurred by our Company and our Group which, upon becoming enforceable, may have a material impact on the financial position of our Company and Group:

Item	Amount (RM'000)
Guarantees given to Government bodies and service providers	13,586
<b>Total</b>	<b>13,586</b>

### 9.4 Material commitments

As at the LPD, there are no material commitments for capital expenditure incurred or known to be incurred by our Company and our Group which, upon becoming enforceable, may have a material impact on the financial position or business of our Company and our Group, respectively.

## 10. DETAILS OF OTHER CORPORATE EXERCISES

As at the LPD, other than the Rights Issue of ICULS with Warrants, our Company does not have any other corporate exercise which have been approved by our shareholders and/or regulatory authorities but not yet completed.

## 11. INSTRUCTION FOR ACCEPTANCE, SALE/TRANSFER, EXCESS APPLICATION AND PAYMENT

### 11.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional ICULS with Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICULS with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional ICULS with Warrants into your CDS Account and the RSF to enable you to subscribe for the Provisional ICULS with Warrants, as well as to apply for excess ICULS with Warrants, if you choose to do so. This Abridged Prospectus and the RSF are also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).

The minimum number of ICULS with Warrants that can be subscribed for or accepted is 1 ICULS for every 10 existing Asian Pac Shares held. Successful applicants of the ICULS will be given the Warrants on the basis of 2 Warrants for each ICULS successfully subscribed for. Fraction of an ICULS or Warrant will be disregarded and will be dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company. You and your renouncee(s)/transferee(s) (if applicable) should take note that a trading board lot of the ICULS is 100 ICULS and the trading board lot of the Warrants is 100 Warrants.

Our Company shall make an announcement after the closing date of the Rights Issue of ICULS with Warrants on the outcome of the Rights Issue of ICULS with Warrants.

## **11.2 NPA**

The Provisional ICULS with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional ICULS with Warrants will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making their applications for the Rights Issue of ICULS with Warrants.

## **11.3 Last date and time for acceptance and payment**

The last date and time for acceptance and payment for the Provisional ICULS with Warrants and for excess ICULS with Warrants is at **5.00 p.m. on 17 May 2017**.

## **11.4 Method of application**

You may subscribe for such number of ICULS with Warrants that you have been provisionally allotted as well as to apply for excess ICULS with Warrants through the RSF. A copy of the RSF is enclosed together with this Abridged Prospectus. The RSF is also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).

## **11.5 Procedures for full acceptance by our Entitled Shareholders and their renouncee(s)/transferee(s)**

If you wish to accept your entitlement to the Provisional ICULS with Warrants, the acceptance of and payment for the Provisional ICULS with Warrants must be made on the respective RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained in the Documents or which are illegible may not be accepted at the absolute discretion of our Board.

Renouncee(s)/transferee(s) who wish to accept the Provisional ICULS with Warrants must obtain a copy of the RSF from their stockbrokers or our Share Registrar (at the addresses set out below) or at our Registered Office or from the Bursa Securities' website at <http://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to our Entitled Shareholders also applies to renouncee(s)/transferee(s) who wish to accept the Provisional ICULS with Warrants.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ICULS WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD OUR ENTITLED SHAREHOLDERS WISH TO SELL OR TRANSFER ALL OR ANY PART OF THEIR PROVISIONAL ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.**

**ENTITLED SHAREHOLDERS AND / OR THEIR RENOUNCEE(S) / TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.**

Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who wish to accept their provisional allotment in full or in part, are required to complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar in the envelope provided (at your own risk) by **ORDINARY POST** or **DELIVERED BY HAND** or **BY COURIER** at the following address:

**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: +603-2783 9299  
Fax: +603-2783 9222

or alternatively at:

**TRICOR CUSTOMER SERVICE CENTRE**

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

so as to arrive not later than **5.00 p.m. on 17 May 2017**, being the last date and time for acceptance and payment.

Entitled Shareholders who lose, misplace or for any other reasons require another copy of the RSF, may obtain additional copies from either (i) your stockbroker; (ii) our Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; (iii) our Registered Office at 12<sup>th</sup> Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur; or (iv) Bursa Securities' website at <http://www.bursamalaysia.com>.

Only 1 RSF can only be used for acceptance of the Provisional ICULS with Warrants standing to the credit of 1 CDS Account belonging to an Entitled Shareholder. Separate RSF(s) must be used for the acceptance of Provisional ICULS with Warrants standing to the credit of more than 1 CDS Account. If successful, the ICULS with Warrants subscribed for will be credited into your respective CDS Account(s) where the Provisional ICULS with Warrants are standing to the credit in accordance with the procedures as set out in the RSF.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, Entitled Shareholders are advised to use 1 reply envelope for each completed RSF.

If acceptance and payment for the Provisional ICULS with Warrants to any Entitled Shareholder and/or their renouncee(s)/transferee(s) (if applicable) are not received by our Share Registrar by **5.00 p.m. on 17 May 2017**, being the last date and time for acceptance and payment for the Provisional ICULS with Warrants, such provisional allotment of ICULS with Warrants will be deemed to have been declined and will be cancelled.

Our Board will then have the right to allot the excess ICULS with Warrants, to applicants applying for excess ICULS with Warrants in a fair and equitable manner as they deem fit and expedient and in the best interests of our Company. Please refer to Section 2.1 of this Abridged Prospectus for further details.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE IN THE FORM OF BANKER'S DRAFT OR CASHIER'S ORDER OR MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE PAYABLE TO "ASIAN PAC ICULS ACCOUNT" CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND ADDRESS IN BLOCK LETTERS AND YOUR CDS ACCOUNT NUMBER.**

The payment must be made for the exact amount. Any excess or insufficient remittances may or may not be accepted at the absolute discretion of our Board. Cheques or other modes of payment not prescribed here are not acceptable. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFeree(S) (IF APPLICABLE) SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**PROOF OF TIME OF POSTAGE SHOULD NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE OF ICULS WITH WARRANTS WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR.**

**OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/OR YOUR RENOUNCEE(S)/TRANSFeree(S) (IF APPLICABLE) FOR ACCEPTANCES WHICH DO NOT STRICTLY CONFORM TO THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS OR THE RSF OR THE NOTES AND INSTRUCTIONS CONTAINED IN THESE DOCUMENTS, OR WHICH ARE ILLEGIBLE.**

Applications shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any application or to accept any application in part only.

Notification on the outcome of your application for the Rights Issue of ICULS with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) Successful application - a notice of allotment will be despatched within 8 market days from the last date of acceptance and payment for the ICULS with Warrants or such other period as may be prescribed by Bursa Securities; or
- (ii) Unsuccessful / late applications / partially successful application - the full amount or the surplus application monies, as the case may be, shall be refunded without interest within 15 Market Days from the last date for acceptance and payment for the ICULS with Warrants.

**11.6 Procedures for part acceptance by our Entitled Shareholders and renounee(s)/transferee(s) (if applicable)**

Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are entitled to accept part of their Provisional ICULS with Warrants. The minimum amount of ICULS with Warrants that can be accepted is 1 ICULS. Fraction of an ICULS or Warrant will be disregarded and shall be dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are required to fill and complete Part I(a) of the RSF by specifying the amount of ICULS with Warrants which they are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in Section 11.5 of this Abridged Prospectus, so as to arrive not later than **5.00 p.m. on 17 May 2017**, being the last date and time for acceptance and payment.

**ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

The portion of the Provisional ICULS with Warrants that has not been accepted will be allotted in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company. Our Board reserves the right to allot any application for excess ICULS with Warrants, in full or in part, and on such basis as they deem fit and expedient and in the best interests of our Company without assigning any reasons thereto. Please refer to Section 2.1 of this Abridged Prospectus for further details.

You must complete both Part I(a) of the RSF by specifying the number of the ICULS with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 11.5 of this Abridged Prospectus.

#### **11.7 Procedures for sale/transfer of Provisional ICULS with Warrants**

As the Provisional ICULS with Warrants are prescribed securities, Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who wish to sell or transfer all or part of their entitlement to the Provisional ICULS with Warrants to 1 or more persons, may do so without first having to request for a split of the Provisional ICULS with Warrants standing to the credit of their CDS Accounts.

The Provisional ICULS with Warrants are renounceable securities and will be traded on Bursa Securities commencing from 2 May 2017 up to and including 8 May 2017. As such, you may sell all or part of your Provisional ICULS with Warrants on the open market of Bursa Securities or transfer such Provisional ICULS with Warrants to such persons as may be allowed pursuant to the Rules of Bursa Depository. The last time and date for the transfer of the Provisional ICULS with Warrants is 4.00 p.m. on 12 May 2017 which in accordance with the Rules of Bursa Depository.

If you have sold or transferred only part of the Provisional ICULS with Warrants, you may still accept the balance of the Provisional ICULS with Warrants by completing Parts I(a) and II of the RSF and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner as set out in Section 11.5 of this Abridged Prospectus.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ICULS WITH WARRANTS, YOU NEED NOT DELIVER ANY DOCUMENT (INCLUDING THE RSF) TO YOUR STOCKBROKERS. HOWEVER, YOU ARE ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ICULS WITH WARRANTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS BEFORE SELLING OR TRANSFERRING.**

## 11.8 Procedures for application of excess ICULS with Warrants

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional ICULS with Warrants, and wish to apply for additional ICULS with Warrants in excess of your entitlement, you may do so by completing Parts I(b) and II of the RSF. Send each completed and signed RSF with a separate remittance for the full amount payable on the excess ICULS with Warrants applied for to our Share Registrar at the addresses set out in Section 11.5 of this Abridged Prospectus so as to arrive not later than **5.00 p.m. on 17 May 2017**, being the last date and time for acceptance and payment.

The minimum number of excess ICULS with Warrants that can be applied for is 1 excess ICULS with Warrants. However, you should take note that a trading board lot comprises 100 ICULS and 100 Warrants.

**PAYMENT FOR THE EXCESS ICULS WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 11.5 OF THIS ABRIDGED PROSPECTUS, EXCEPT THAT THE BANKER'S DRAFT OR CASHIER'S ORDER OR MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA SHOULD BE MADE PAYABLE TO "ASIAN PAC EXCESS ICULS ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, CONTACT NUMBER AND ADDRESS IN BLOCK LETTERS AND YOUR CDS ACCOUNT NUMBER. THE PAYMENT MUST BE MADE FOR THE EXACT AMOUNT. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. CHEQUES OR OTHER MODES OF PAYMENT NOT PRESCRIBED HERE ARE NOT ACCEPTABLE.**

The basis of allocation for excess ICULS with Warrants will be determined after the last day of application and payment for excess ICULS with Warrants. Our Board reserves the right to allot the excess ICULS with Warrants, if any, applied for under Part I(b) of the RSF, in full or in part, and in a fair and equitable manner as they deem fit and expedient and in the best interests of our Company. As such, it is the intention of our Board to allot the excess ICULS with Warrants in the following order of priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for excess ICULS with Warrants on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS Accounts as at the Entitlement Date; and
- (iii) thirdly, for allocation to our Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) who have applied for the excess ICULS with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess ICULS with Warrants application.

Further, there must be at least a minimum of 100 holders of the ICULS and Warrants holding not less than 1 board lot each for the ICULS and Warrants to be listed on the Main Market of Bursa Securities.

Nevertheless, our Board reserves the right to allot any application for excess ICULS with Warrants on such basis as they deem fit and expedient and in the best interests of our Company without assigning any reasons thereto.

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**PROOF OF TIME OF POSTAGE SHOULD NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE OF ICULS WITH WARRANTS WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR.**

Applications for the excess ICULS with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any application or to accept any application in part only.

Notification on the outcome of your application for the excess ICULS with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) Successful application - a notice of allotment will be despatched within 8 market days from the last date of acceptance and payment for the excess ICULS with Warrants or such other period as may be prescribed by Bursa Securities; or
- (ii) Unsuccessful / late applications / partially successful application - the full amount or the surplus application monies, as the case may be, shall be refunded without interest within 15 market days from the last date for acceptance and payment for the excess ICULS with Warrants.

#### **11.9 Form of issuance**

Bursa Securities has already prescribed Asian Pac Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the ICULS, Warrants and the new Shares to be issued arising from the conversion of the ICULS and/or exercise of the Warrants are prescribed securities and as such, all dealings in the ICULS with Warrants will be subject to the SICDA and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical ICULS and/or Warrant certificates will be issued to you under the Rights Issue of ICULS with Warrants. Instead, the ICULS and the Warrants will be credited directly into your CDS Account.

Where the ICULS with Warrants are provisionally allotted to Entitled Shareholders in respect of their existing Asian Pac Shares standing to the credit into their CDS Account on the Entitlement Date, the acceptance by Entitled Shareholders of the Provisional ICULS with Warrants will mean that they consent to receive such Provisional ICULS with Warrants as prescribed or deposited securities which will be credited directly into their CDS Account.

The ICULS and Warrants will be credited directly as prescribed or deposited securities into the CDS Account where the Provisional ICULS with Warrants are standing to the credit upon allotment and issuance.

The excess ICULS with Warrants, if allotted to the successful applicant who applies for the excess ICULS with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant.

#### **11.10 Laws of foreign jurisdictions**

This Abridged Prospectus, the NPA and the RSF have not been and will not be made to comply with the laws of any foreign jurisdictions, and have not been and will not be lodged, registered or approved pursuant to or under any legislation of or with or by any regulatory authorities or other relevant bodies of any foreign jurisdictions. The Rights Issue of ICULS with Warrants will not be made or offered for subscription in any foreign jurisdictions.

Our Company do not intend (and will not be able) to issue, circulate or distribute these Documents and we will not make or offer or deem to make or offer the Rights Issue of ICULS with Warrants for purchase or subscription, in any countries or jurisdictions other than Malaysia. The same applies to persons who are or may depend on the laws of any countries or jurisdiction other than the laws of Malaysia.

Our Company did not take and will not take any action to ensure that the Rights Issue of ICULS with Warrants and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue of ICULS with Warrants to which the Documents relate is only available to persons receiving the Documents within Malaysia. These Documents may not be used for an offer, solicitation or an invitation to purchase the Rights Issue of ICULS with Warrants in any jurisdictions other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It will be your sole responsibility and/or your renouncee(s)/transferee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia to immediately consult your legal advisers and/or other professional adviser as to whether your acceptance, sale, transfer and/or renunciation (as the case may be) of all or any part of your entitlements to the Rights Issue of ICULS with Warrants would contravene any law of such countries or jurisdictions.

Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlement and exercise any other rights in respect of the Rights Issue of ICULS with Warrants to the extent that it would be lawful to do so, and we, our Directors and officers and our advisers, their Directors and officers would not, in connection with the Rights Issue of ICULS with Warrants, be in breach of the laws of any jurisdictions to which they are or may be subject. We, our Directors and officers and our advisers, their Directors and officers will not accept any responsibility or liability in the event that any acceptance or renunciation made by any Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or will become unlawful, unenforceable, voidable or void in any such jurisdictions.

Accordingly, this Abridged Prospectus together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia or who have not provided our Share Registrar with an address in Malaysia in writing on or before 5.00 p.m. on 28 April 2017. However, such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may collect this Abridged Prospectus including the accompanying documents from our Share Registrar, in which event our Share Registrar will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company, our Directors and officers and our advisers, their Directors and officers will be entitled to be fully indemnified and held harmless by such applicants for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company, our Directors and officers and our advisers, their Directors and officers, in respect of their rights and entitlements under the Rights Issue of ICULS with Warrants. Such applicants should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of ICULS with Warrants.

By signing the RSF, our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) us, our Directors and officers and our advisers, their Directors and officers that:

- (i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue of ICULS with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional ICULS with Warrants;
- (iii) our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are not nominees or agents of any person in respect of whom our Company would, by acting on the acceptance or renunciation of the Provisional ICULS with Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are aware that the ICULS with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) our Entitled Shareholder and/or his renouncee(s)/transferee(s) has obtained a copy of this Abridged Prospectus and has had access to such financial and other information and has been provided the opportunity to ask such questions to the representatives of the parties and receive answers thereto as our Entitled Shareholder and/or his renouncee(s)/transferee(s) deem necessary in connection with our Entitled Shareholder and/or his renouncee(s)/transferee(s)' decision to subscribe for or purchase the ICULS with Warrants; and
- (vi) our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ICULS with Warrants, are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the ICULS with Warrants.

Persons receiving this Abridged Prospectus, the NPA and the RSF (including custodians, nominees, transferees and trustees) must not, in connection with the Rights Issue of ICULS with Warrants, distribute or send the Documents into any foreign jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward this Abridged Prospectus, the NPA and the RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the ICULS with Warrants from any such application by foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in its absolute discretion, to treat any acceptance of the ICULS with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

## **12. TERMS AND CONDITIONS**

The issuance of the ICULS with Warrants pursuant to the Rights Issue of ICULS with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the NPA and the RSF enclosed herewith as well as the Trust Deed and Deed Poll.

## **13. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of the Board of  
**ASIAN PAC HOLDINGS BERHAD**



**TAN SRI DATO' SERI HJ MEGAT NAJMUDDIN BIN DATUK SERI DR HJ MEGAT KHAS**  
Chairman/Independent Non-Executive Director

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 20 JANUARY 2017**



**ASIAN PAC HOLDINGS BERHAD** (Co. No. 129-T)

Ground Floor, Menara SMI, No. 6, Lorong P.Ramlee, 50250 Kuala Lumpur.

Telephone 603-2786 3388

Telefax 603-2786 3380 (Marketing) 603-2786 3381 (Sales Admin, Retail & Marcom)

603-2786 3382 (Project, Admin) 603-2786 3383 (Accounts)

<http://www.asianpac.com.my>

**CERTIFIED TRUE EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 20 JANUARY 2017**

**9. ANNOUNCEMENT OF POLL RESULTS**

- 9.1 At 10.32 a.m., Dato' Chairman called the Meeting to order for the declaration of poll results after he received the poll results from Tricor and UHY and announced that:

**Resolution 1 : Proposed Rights Issue**

	Vote for		Vote against		Abstain	
	No. of shares	%	No. of shares	%	No. of shares	%
Ordinary Resolution 1 - Proposed Rights Issue	204,767,839	99.57	890,400	0.43	0	0

Dato' Chairman declared that **Resolution 1** was duly passed as follows:

**"THAT** all approvals being obtained from the relevant regulatory authorities including the Securities Commission Malaysia ("SC") for the approval of the issuance of the ICULS, approval be and is hereby given to the Board of Directors of the Company ("Board") to:

- (i) undertake the renounceable rights issue of up to RM99,256,461 nominal value of ICULS at 100% of its nominal value of RM1.00 each on the basis of 1 ICULS for every 10 Asian Pac Shares held by the Entitled Shareholders, which is to be provisionally allotted to the Entitled Shareholders on an entitlement date to be determined later together with up to 198,512,922 Warrants on the basis of 2 Warrants for each ICULS subscribed;
- (ii) issue and allot such ICULS and Warrants, as may be required to give effect to the Proposed Rights Issue in such manner as set out in Section 2.1 of Part A of the Circular to Shareholders of the Company dated 29 December 2016 ("Circular");
- (iii) enter into and execute the trust deed with the trustee appointed by the Company constituting the ICULS ("Trust Deed") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed;
- (iv) enter into and execute the deed poll constituting the Warrants ("Deed Poll") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll;

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**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 20 JANUARY 2017 (CONT'D)**


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**ASIAN PAC HOLDINGS BERHAD**

Certified True Extract of Minutes of Extraordinary General Meeting held on 20/1/2017

- (vi) issue and allot additional Warrants as may be required or permitted to be issued arising from such adjustment(s) in accordance with the provisions of the Deed Poll constituting the Warrants entitling the holder of each Warrant to subscribe for 1 new Asian Pac Share in the Company at the exercise price or any other exercise price as may be adjusted pursuant to the provisions contained in the Deed Poll constituting the Warrants, at any time from the date of issue of the Warrants up to and including the maturity date and/or any extension thereof;
- (vii) issue and allot such appropriate number of Asian Pac Shares, credited as fully paid-up, to the ICULS holders and holders of the Warrants arising from the conversion of the ICULS and/or from the exercise of the Warrants to subscribe for new Asian Pac Shares and/or such appropriate number of Asian Pac Shares arising from the conversion of the ICULS and/or from the exercise of the Warrants referred to in paragraphs (v) and (vi) above in accordance with the terms and conditions of the Trust Deed as well as the terms and conditions of the Deed Poll AND THAT any new Asian Pac Shares to be issued arising from the conversion of the ICULS and/or from the exercise of the Warrants (inclusive of the additional ICULS and/or Warrants referred to in paragraphs (v) and (vi) above), shall upon issuance and allotment, rank *pari passu* in all respect with the then existing Asian Pac Shares, save and except that such Asian Pac Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, where the entitlement date precedes the date of allotment of such new Asian Pac Shares arising from the conversion of the ICULS and/or the exercise of the Warrants;
- (viii) deal with any fractional entitlements of an Asian Pac Share or an ICULS or a Warrant that may arise from the Proposed Rights Issue in such manner as the Board may at its absolute discretion deem fit and expedient to minimise the incidence of odd lots and in the best interest of the Company;
- (ix) make available any ICULS with Warrants which are not taken up or validly taken up for excess applications to the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) who have applied for the excess ICULS with Warrants in a fair and equitable manner and on such basis as may be determined by the Board subject always to such allocation being made on a fair and equitable basis and that the intentions of Board as set out in Section 2.1.1 of Part A of the Circular are achieved;
- (x) the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in Section 2.1.7 of Part A of the Circular, and the Board be and is hereby authorised to revise the manner and purpose of the utilisation of proceeds as it may deem fit, expedient and in the best interest of the Company subject to the approval of any relevant authorities (where required); and
- (xi) execute or enter into agreements, deed or arrangements as the Board may deem necessary or expedient, to give effect to the Proposed Rights Issue with full power to make and/or assent to any conditions, variation, modification and/or amendments (if any) as may imposed /agreed to by the relevant authorities and to take all such steps as they may deem necessary in order to implement, finalise and give full effect to the Proposed Rights Issue with or without variation;

AND THAT in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given to the Board to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 20 JANUARY 2017 (CONT'D)**
**ASIAN PAC HOLDINGS BERHAD**

Certified True Extract of Minutes of Extraordinary General Meeting held on 20/1/2017

Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to any conditions, modifications, variations and/or amendments thereto as may be imposed by the relevant authority and/or as the Board may deem fit."

**Resolution 2 : Proposed Exemption**

	Vote for		Vote against		Abstain	
	No. of shares	%	No. of shares	%	No. of shares	%
Ordinary Resolution 2 - Proposed Exemption	204,717,839	99.54	940,400	0.46	0	0

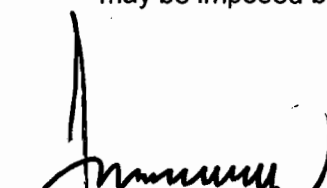
Dato' Chairman declared that **Resolution 2** was duly passed as follows:

"**THAT** subject to the approvals and/or consents of the SC and/or any other relevant authorities or parties (where required) including such conditions as may be imposed by the SC, approval be and is hereby given for Mah Sau Cheong and his PAC to be exempted from the obligation to undertake a mandatory take-over offer to acquire all the remaining Asian Pac Shares of the Company not already held by him and his PAC which would arise pursuant to the conversion of the ICULS and/or exercise of the Warrants in accordance with Paragraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 which encompasses the following:

- (i) The irrevocable undertaking from Mah Sau Cheong and Chin Lai Kuen to subscribe by way of excess application, in aggregate with their irrevocable undertaking to subscribe in full for their respective entitlements under the Proposed Rights Issue, for up to RM65.0 million nominal value of ICULS together with 130.0 million Warrants;
- (ii) Full or partial conversion of the ICULS by Mah Sau Cheong or his PAC during the entire tenure of the ICULS; and/or
- (iii) Full or partial exercise of the Warrants by Mah Sau Cheong or his PAC during the entire tenure of the Warrants;

AND THAT in order to implement, complete and give full effect to the Proposed Exemption, approval be and is hereby given to the Board to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Exemption, with full powers to assent to any conditions, modifications, variations and/or amendments thereto as may be imposed by the relevant authority and/or as the Board may deem fit."

**CERTIFIED TRUE COPY**

  
 DATO MUSTAPHA BIN BUANG  
 Managing Director

  
 CHAN YOON MUN  
 Company Secretary  
 MAICSA 0927219

Dated: 20 January 2017

## INFORMATION ON ASIAN PAC

### 1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in the Federated Malay States, State of Selangor as a limited company on 20 June 1913 under the Companies Enactment 1897, under the name of Malayan Collieries Limited. Our Company was listed on the Main Market of Bursa Securities which was then known as Main Board of Kuala Lumpur Stock Exchange on 29 March 1961. Based on certificates of change of name dated 27 January 1968, 13 October 1973 and 12 February 1996, our Company changed its name to Pan Electric & General Industries (M) Berhad, Pegi Malaysia Berhad and Asian Pac, respectively.

Our Company's principal activities are mainly involved in the holding of securities for investment purposes, provision of management services and trading of building materials whilst our subsidiaries and associated companies are principally engaged in the provision of property investment and development, mall operations and car park operations as set out in Section 4 of this Appendix.

### 2. SHARE CAPITAL

Our share capital as at the LPD is RM202,064,130 (inclusive of existing share premium of RM3,551,208 pursuant to Section 618(2) of the Act) which comprises 992,564,610 Asian Pac Shares.

The changes in our share capital for the past 3 years up to the LPD are as follows:

Date of allotment	No. of Asian Pac Shares allotted	Type of issue/consideration	Cumulative share capital <sup>^</sup> (RM)
4 June 2014	203,750	Cash (exercise of ESOS)	195,103,742
11 June 2014	100,000	Cash (exercise of ESOS)	195,123,742
16 June 2014	452,500	Cash (exercise of ESOS)	195,214,242
23 June 2014	498,000	Cash (exercise of ESOS)	195,313,842
1 July 2014	372,500	Cash (exercise of ESOS)	195,388,342
4 July 2014	305,000	Cash (exercise of ESOS)	195,449,342
11 July 2014	1,874,250	Cash (exercise of ESOS)	195,824,192
21 July 2014	1,864,500	Cash (exercise of ESOS)	196,197,092
30 July 2014	338,750	Cash (exercise of ESOS)	196,264,842
6 August 2014	535,000	Cash (exercise of ESOS)	196,371,842
18 August 2014	1,971,200	Cash (exercise of ESOS)	196,766,082
25 August 2014	850,000	Cash (exercise of ESOS)	196,936,082
28 August 2014	1,475,500	Cash (exercise of ESOS)	197,231,182
8 September 2014	593,750	Cash (exercise of ESOS)	197,349,932
10 September 2014	741,250	Cash (exercise of ESOS)	197,498,182
19 September 2014	856,500	Cash (exercise of ESOS)	197,669,482

## INFORMATION ON ASIAN PAC (CONT'D)

Date of allotment	No. of Asian Pac Shares allotted	Type of issue/consideration	Cumulative share capital <sup>^</sup> (RM)
24 September 2014	455,000	Cash (exercise of ESOS)	197,760,482
1 October 2014	935,000	Cash (exercise of ESOS)	197,947,482
10 October 2014	50,000	Cash (exercise of ESOS)	197,957,482
16 October 2014	383,750	Cash (exercise of ESOS)	198,034,232
5 November 2014	50,000	Cash (exercise of ESOS)	198,044,232
17 November 2014	535,000	Cash (exercise of ESOS)	198,151,232
19 November 2014	40,000	Cash (exercise of ESOS)	198,159,232
10 March 2015	50,000	Cash (exercise of ESOS)	198,169,232
17 March 2015	130,000	Cash (exercise of ESOS)	198,195,232
24 March 2015	50,000	Cash (exercise of ESOS)	198,205,232
29 April 2015	330,000	Cash (exercise of ESOS)	198,271,232
5 May 2015	40,950	Cash (exercise of ESOS)	198,279,422
11 May 2015	75,000	Cash (exercise of ESOS)	198,294,422
13 May 2015	100,000	Cash (exercise of ESOS)	198,314,422
29 May 2015	217,500	Cash (exercise of ESOS)	198,357,922
9 June 2015	182,500	Cash (exercise of ESOS)	198,394,422
11 June 2015	357,500	Cash (exercise of ESOS)	198,465,922
17 June 2015	100,000	Cash (exercise of ESOS)	198,485,922
24 June 2015	25,000	Cash (exercise of ESOS)	198,490,922
30 June 2015	35,000	Cash (exercise of ESOS)	198,497,922
5 August 2015	75,000	Cash (exercise of ESOS)	198,512,922

Note:

<sup>^</sup> The share capital recorded are as at the respective dates of allotment

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## INFORMATION ON ASIAN PAC (CONT'D)

## 3. SUBSTANTIAL SHAREHOLDERS AND DIRECTORS' SHAREHOLDINGS

## (a) Substantial shareholders' shareholdings

The effects of the Rights Issue of ICULS with Warrants on the shareholdings of our substantial shareholders based on our Company's Register of Substantial Shareholders as at the LPD are set out below:

## Minimum Scenario

	As at the LPD			(I) After the completion of the Corporate Exercises			(II) After (I) and full conversion of the ICULS <sup>(2)</sup>			After (II) and the exercise of all the Warrants <sup>(3)</sup>		
	Direct		Indirect	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares ( <sup>'000</sup> )	(%)	No. of Shares ( <sup>'000</sup> )	No. of Shares ( <sup>'000</sup> )	(%)	No. of Shares ( <sup>'000</sup> )	No. of Shares ( <sup>'000</sup> )	(%)	No. of Shares ( <sup>'000</sup> )	No. of Shares ( <sup>'000</sup> )	(%)	No. of Shares ( <sup>'000</sup> )
Substantial shareholders												
Mah Sau Cheong	182,069	18.34	5,260 <sup>(1)</sup>	182,069	18.34	5,260 <sup>(1)</sup>	497,943	37.79	14,386 <sup>(1)</sup>	624,293	43.13	18,036 <sup>(1)</sup>
												1.25

Notes:

- (1) Deemed interested by virtue of his spouse pursuant to Section 8 of the Act.
- (2) Assuming that none of the other Entitled Shareholders subscribe for their entitlements under the Rights Issue of ICULS with Warrants other than the Undertaking Shareholders.
- (3) Assuming that Mah Sau Cheong and his spouse, Chin Lai Kuen, do not sell their respective Warrants and that they exercise all of their respective Warrants.

### Maximum Scenario

**Notes:**

- (1) *Deemed interested by virtue of his spouse pursuant to Section 8 of the Act.*
- (2) *Assuming that all the Entitled Shareholders subscribes in full for their respective entitlements under the Rights Issue of ICULS with Warrants.*
- (3) *Assuming that all the Entitled Shareholders do not sell their respective Warrants and that they exercise all of their respective Warrants.*

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## INFORMATION ON ASIAN PAC (CONT'D)

## (b) Directors' shareholdings

The effects of the Rights Issue of ICULS with Warrants on the shareholdings of our Directors based on our Company's Register of Directors' Shareholdings as at the LPD are set out below:

## Minimum Scenario

Directors	As at the LPD			(I) After the completion of the Corporate Exercises			(II) After (I) and full conversion of the ICULS <sup>(3)</sup>			After (II) and the exercise of all the Warrants <sup>(4)</sup>		
	Direct		Indirect	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares ( <sup>'000</sup> )	(%)		No. of Shares ( <sup>'000</sup> )	(%)		No. of Shares ( <sup>'000</sup> )	(%)		No. of Shares ( <sup>'000</sup> )	(%)	
Tan Sri Dato' Seri Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	195	0.02	-	195	0.02	-	195	0.01	-	195	0.01	-
Dato' Mustapha Bin Buang	32,851	3.31	800 <sup>(1)</sup>	32,851	3.31	800 <sup>(1)</sup>	32,851	2.49	800 <sup>(1)</sup>	32,851	2.27	800 <sup>(1)</sup>
Dato' Mohamed Salleh Bin Bajuri	500	0.05	-	500	0.05	-	500	0.04	-	500	0.03	-
Soon Dee Hwee	-	-	-	-	-	-	-	-	-	-	-	-
Dr Yu Tat Loong	-	-	-	-	-	-	-	-	-	-	-	-
Tan Siew Poh	2	_(2)	-	2	_(2)	-	2	_(2)	-	2	_(2)	-

## INFORMATION ON ASIAN PAC (CONT'D)

## Notes:

- (1) Deemed interested by virtue of his spouse pursuant to Section 8 of the Act.
- (2) Negligible.
- (3) Assuming that none of the other Entitled Shareholders subscribe for their entitlements under the Rights Issue of ICULS with Warrants other than the Undertaking Shareholders.
- (4) Assuming that Mah Sau Cheong and his spouse, Chin Lai Kuen, do not sell their respective Warrants and that they exercise all of their respective Warrants.

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## INFORMATION ON ASIAN PAC (CONT'D)

## Maximum Scenario

	As at the LPD			(I) After the completion of the Corporate Exercises			(II) After (I) and full conversion of the ICULS <sup>(3)</sup>			After (II) and the exercise of all the Warrants <sup>(4)</sup>		
	Direct		Indirect	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares (‘000)	(%)	No. of Shares (‘000)	No. of Shares (‘000)	(%)	No. of Shares (‘000)	No. of Shares (‘000)	(%)	No. of Shares (‘000)	No. of Shares (‘000)	(%)	No. of Shares (‘000)
Directors												
Tan Sri Dato' Seri Hj Megat Najmuddin bin Datuk Seri Dr Hj Megat Khas	195	0.02	-	195	0.02	-	292	0.02	-	331	0.02	-
Dato' Mustapha Bin Buang	32,851	3.31	800 <sup>(1)</sup>	32,851	3.31	800 <sup>(1)</sup>	49,276	3.31	1,200 <sup>(1)</sup>	55,847	3.31	1,360 <sup>(1)</sup>
Dato' Mohamed Salleh Bin Bajuri	500	0.05	-	500	0.05	-	750	0.05	-	850	0.05	-
Soon Dee Hwee	-	-	-	-	-	-	-	-	-	-	-	-
Dr Yu Tat Loong	-	-	-	-	-	-	-	-	-	-	-	-
Tan Siew Poh	2	_(2)	-	2	_(2)	-	3	_(2)	-	4	_(2)	-

## Notes:

- (1) Deemed interested by virtue of his spouse pursuant to Section 8 of the Act.
- (2) Negligible.
- (3) Assuming that all the Entitled Shareholders subscribes in full for their respective entitlements under the Rights Issue of ICULS with Warrants.
- (4) Assuming that all the Entitled Shareholders do not sell their respective Warrants and that they exercise all of their respective Warrants.

## INFORMATION ON ASIAN PAC (CONT'D)

## 4. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

Our subsidiaries as at the LPD are as follows:

Name	Date/Place of incorporation	Share capital# (RM'000)	Effective equity interest (%)	Principal activities
Climate Engineering (Malaya) Sdn. Bhd.	8 December 1959/Malaysia	50,000	100	Investment holding (dormant)
AGB Properties Sdn. Bhd.	11 September 1981/Malaysia	1,000	100	Investment holding and renting out of offices & retail properties
Pinus Park Sdn. Bhd.	11 October 1982/Malaysia	680	100	Renting out of bungalow (dormant)
BH Builders Sdn. Bhd.	22 March 1974/Malaysia	110,000	100	Investment holding, property investment and development and renting out retail properties
Primadana Utama Sdn. Bhd.	7 February 1991/Malaysia	2,500	100	Investment holding, property investment and development
Prousaha (M) Sdn. Bhd.	23 November 1990/Malaysia	5,000	90	Property investment and development
Syarikat Kapasi Sdn. Bhd.	23 February 1977/Malaysia	184,568	100	Property investment and development and mall operation
Changkat Fajar Sdn. Bhd.	8 August 1992/Malaysia	1,000	100	Property investment and development
Quality Trend Sdn. Bhd.	9 March 1993/Malaysia	244	100	Property investment and development (dormant)
Asian Pac Property Management Sdn. Bhd.	2 November 2004/Malaysia	500	100	Property management
Asian Pac Parksafes Sdn. Bhd.	18 December 2015/Malaysia	100,007^	100	Car park operation

## INFORMATION ON ASIAN PAC (CONT'D)

Name	Date/Place of incorporation	Share capital <sup>#</sup> (RM'000)	Effective equity interest (%)	Principal activities
<b>Held through subsidiaries:</b>				
BH Realty Sdn. Bhd.	27 September 1983/Malaysia	3,100	100	Property investment and development and car park operation
Wangsa Masyhur Sdn. Bhd.	21 November 1988/Malaysia	30,000	100	Property investment and development (dormant)
Tekad Intisari Sdn. Bhd.	11 March 2000/Malaysia	*	75	Property development (dormant)
Taman Bestari Sdn. Bhd.	22 May 2001/Malaysia	750	100	Property development

## Notes:

# Includes share premium pursuant to Section 618(2) of the Act.

^ Includes 99,507,000 redeemable preference shares of RM0.01 each and share premium of RM0.99 each

\* Represents issued share capital of RM100.

Details of our associate company are as follows:

Name	Date/Place of incorporation	Share capital (RM'000)	Effective equity interest	Principal activities
PT AP International	21 April 2011/Indonesia	750	50	Property development and property management

As at the LPD, we do not have any jointly controlled entities.

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## INFORMATION ON ASIAN PAC (CONT'D)

## 5. PROFIT AND DIVIDEND RECORD

The profit and dividend record of our Group based on our audited consolidated financial statements for the past 3 years up to FYE 31 March 2016 and the unaudited quarterly results for the 9-month FPEs 31 December 2015 and 31 December 2016 are summarised as follows:

	Audited			Unaudited	
	FYE 31 March 2014 (Restated) (RM'000)	FYE 31 March 2015 (RM'000)	FYE 31 March 2016 (RM'000)	9-month FPE 31 December 2015 (RM'000)	9-month FPE 31 December 2016 (RM'000)
Revenue	284,191	230,269	154,905	97,065	178,002
Cost of sales	(213,098)	(170,798)	(116,595)	(69,299)	(132,482)
<b>Gross profit</b>	<b>71,093</b>	<b>59,471</b>	<b>38,310</b>	<b>27,766</b>	<b>45,520</b>
Other income	5,899	524,151	128,021	32,696	1,672
Employee benefits expenses	(10,187)	(18,016)	(15,900)	(10,502)	(10,794)
Depreciation	(1,368)	(2,429)	(2,385)	(1,815)	(1,671)
Other expenses	(19,343)	(28,140)	(32,760)	(11,179)	(10,895)
<b>Operating profit</b>	<b>46,094</b>	<b>535,037</b>	<b>115,286</b>	<b>36,966</b>	<b>23,832</b>
Finance costs	(2,726)	(6,193)	(27,210)	(20,372)	(18,345)
	-	-	-	-	-
<b>PBT</b>	<b>43,368</b>	<b>528,844</b>	<b>88,076</b>	<b>16,594</b>	<b>5,487</b>
Income tax expenses	(2,538)	(152,265)	(14,465)	(540)	(4,320)
<b>Profit for the financial year/period</b>	<b>40,830</b>	<b>376,579</b>	<b>73,611</b>	<b>16,054</b>	<b>1,167</b>
Profit attributable to:					
- Owner of the parent ("PATNCI")	40,833	376,591	73,634	16,069	1,191
- Non-controlling interests	(3)	(12)	(23)	(15)	(24)
	<b>40,830</b>	<b>376,579</b>	<b>73,611</b>	<b>16,054</b>	<b>1,167</b>
<b>EBITDA</b>	<b>47,462</b>	<b>537,466</b>	<b>117,671</b>	<b>38,781</b>	<b>25,503</b>
Gross profit margin (%)	25.02%	25.83%	24.73%	28.61%	25.57%
EPS (sen):					
- Basic	4.19	38.20	7.42	1.62	0.12
- Diluted	4.19	37.73	7.40	1.61	(1)0.12

Note:

(1) There is no dilutive event. Therefore, the diluted EPS is the same as basic EPS.

Our Group did not record any share of results from associate or joint venture company for the financial years/periods under review.

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**INFORMATION ON ASIAN PAC (CONT'D)**


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**Commentary on financial performance****FYE 31 March 2015**

Our Group's revenue decreased by 18.97% or RM53.92 million to RM230.27 million as compared to RM284.19 million recorded during the FYE 31 March 2014. The decline was mainly from the property development division where:

- (a) lower percentage of development work recognised for The Loft Residence @ KK Times Square 2 ("KKTS 2") and Dataran Larkin 1 in Johor which were nearing completion then; and
- (b) lower sales achieved during the financial year under review; and
- (c) the postponed launching of a new project in Damansara Damai.

Nonetheless, there was a slight increase in the gross profit margin from 25.02% to 25.83%. This was mainly due to some value engineering works carried out which had reduced the cost of construction for Fortune Perdana project which resulted in lower cost of sales.

Our Group's interest expenses increased by 127.11% or RM3.47 million during the financial year. This was mainly attributable to additional borrowings taken by some of our subsidiaries. Nonetheless, our Group recorded a higher PBT of RM528.84 million as compared to RM43.37 million in the previous financial year. This represents a significant increase of 1,119.37% or RM485.47 million, which was mainly attributable to the gain on changes in fair value of investment properties of RM519.36 million (from the cost model to fair value model).

Consequently, our Group registered a significantly higher PATNCI of RM376.58 million as compared to RM40.83 million in the FYE 31 March 2014, which represents an increase of 822.31% or RM335.75 million.

**FYE 31 March 2016**

Our Group registered a lower revenue of RM154.91 million as compared to RM230.27 million for the FYE 31 March 2015. This represents a decrease in revenue of 32.73% or RM75.36 million during the FYE 31 March 2016, which was mainly due to lower contribution from the property development division with the deferred launch of a project.

The gross profit margin was 24.73%, representing a slight decrease of 1.10%, as compared to the gross profit margin of the preceding financial year of 25.83%. This was mainly due to higher cost incurred in certain projects.

Our Group's PBT decreased by 83.34% or RM440.76 million to RM88.08 million as compared to RM528.84 million recorded in the previous financial year. The decrease in PBT was mainly due to the lower gain on changes in fair value of investment properties of RM107.12 million, as compared to RM519.36 million in the previous FYE 31 March 2015.

In addition, our Group also recorded an increase in finance costs of 339.37% or RM21.02 million due to the accounting treatment of finance costs during different phases of construction. Upon commencement of Imago Mall's operation, the finance cost for the construction of the mall was accounted for in the profitability of our Company. In the preceding financial year, the finance cost was capitalised during the construction period which had no effect on the profitability of our Company.

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**INFORMATION ON ASIAN PAC (CONT'D)**

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As a result, our Group's PATNCI decreased by 80.45% or RM302.96 million to RM73.63 million as compared to RM376.59 million in the previous financial year. The decrease is in tandem with the lower revenue recorded as well as the lower gain on changes in fair value of investment properties and increase in finance costs.

**9-month FPE 31 December 2016**

Our Group recorded a higher revenue of RM178.00 million as compared with RM97.07 million for the 9-month FPE 31 December 2015, which represents an increase of 83.37% or RM80.93 million. The increase was mainly due to higher revenue recognised by the property development division for Fortune Perdana and Dataran Larkin 2 projects.

The gross profit margin was approximately 25.57%, representing a decrease of approximately 3.04% as compared to the gross profit margin of the corresponding preceding financial period of 28.61%. The decrease was mainly due to higher cost incurred in certain projects.

Our Group recorded a lower PBT of RM5.49 million as compared to RM16.59 million in the preceding financial period. This represents a decrease of 66.91% or RM11.10 million. The decrease was mainly due to the lower gross profit as stated above. In addition, our Company received a grant from the federal government during the preceding 9-month FPE 31 December 2015, which was accounted for as other income then.

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**INFORMATION ON ASIAN PAC (CONT'D)**


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**6. HISTORICAL SHARE PRICE**

The monthly highest and lowest closing market prices of the Asian Pac Shares traded on Bursa Securities for the past 12 months are as follows:

	High RM	Low RM
<b>2016</b>		
April	0.200	0.185
May	0.195	0.175
June	0.185	0.170
July	0.185	0.165
August	0.185	0.160
September	0.170	0.160
October	0.170	0.155
November	0.160	0.145
December	0.155	0.145
<b>2017</b>		
January	0.165	0.150
February	0.180	0.160
March	0.200	0.155

Last transacted market price of Asian Pac Shares on the LTD 0.175

Last transacted market price of Asian Pac Shares as at the LPD 0.185

Last transacted market price of Asian Pac Shares on 25 April 2017,  
being the last market date prior to the ex-date 0.170

(Source: Bloomberg Finance L.P.)

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**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON**



Ernst & Young AF: 0039  
GST Reg No: 001556430848  
Chartered Accountants  
Level 23A Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000  
Fax: +603 2095 5332 (General line)  
+603 2095 9076  
+603 2095 9078  
ey.com

**REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Prepared for inclusion into the Abridged Prospectus to shareholders of Asian Pac Holdings Berhad dated 28 April 2017 ("Abridged Prospectus"))

12 April 2017

The Board of Directors  
Asian Pac Holdings Berhad  
12th Floor, Menara SMI  
No.6 Lorong P. Ramlee  
50250 Kuala Lumpur  
Malaysia

Dear Sirs

**ASIAN PAC HOLDINGS BERHAD ("APHB" OR "THE COMPANY")  
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016 OF APHB ("PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION")**

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statement of Financial Position of APHB prepared by the Directors of the Company ("the Directors"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statement of Financial Position are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("SC") and are described in Notes 1 to 9 set out in Appendix I which we have stamped for purpose of identification.

The Pro Forma Consolidated Statement of Financial Position has been compiled by the Directors for inclusion into the Abridged Prospectus to illustrate the impact of the following events or transactions on APHB's consolidated financial position as at 31 March 2016 as if the following events or transactions had taken place on 31 March 2016. As part of this process, information about the consolidated financial position has been extracted by the Directors from the consolidated financial statements of APHB for the financial year ended 31 March 2016, on which an audit report has been published.

- a) Renounceable rights issue of up to RM99,256,461 nominal value of 5-year 3% irredeemable convertible unsecured loan stocks to be issued at 100% of its nominal value of RM1.00 each ("ICULS") in the Company on the basis of 1 ICULS for every 10 existing ordinary shares in the Company held as at 5:00 p.m. on 28 April 2017, together with up to 198,512,922 free new detachable warrants ("Warrants") to be issued on the basis of 2 Warrants for each ICULS subscribed ("Rights Issue of ICULS with Warrants"); and

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**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

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- b) Exemption to Mah Sau Cheong (Major Shareholder) and person acting in concert with him ("PAC") from the obligation to undertake a mandatory take-over offer for all the remaining ordinary shares, convertible securities and new ordinary shares to be issued pursuant to the conversion of ICULS or the exercise of the Warrants not held by the Major Shareholder or his PAC which had been granted by the SC on 14 February 2017 ("Exemption").

(Collectively referred to as the "Corporate Exercises")

**The Directors' Responsibility for the Pro Forma Consolidated Statement of Financial Position**

The Directors are responsible for compiling the Pro Forma Consolidated Statement of Financial Position on the basis of the applicable criteria.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our Responsibilities**

Our responsibility, as required by the SC, is to express an opinion about whether the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We have conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statement of Financial Position on the basis of the applicable criteria.

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**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

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For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statement of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statement of Financial Position.

The purpose of the Pro Forma Consolidated Statement of Financial Position is solely to illustrate the impact of the Corporate Exercises on unadjusted financial information of the entity as if the event had occurred or the Corporate Exercises had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Corporate Exercises would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of Pro Forma Consolidated Statement of Financial Position provides a reasonable basis for presenting the significant effects directly attributable to the Corporate Exercises, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statement of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of APHB, the Corporate Exercises in respect of which the Pro Forma Consolidated Statement of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statement of Financial Position.

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

### Opinion

In our opinion, the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria.

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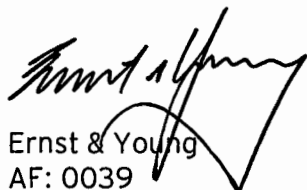
**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

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**Other matters**

This letter is issued for the purpose of complying with the relevant requirement of Division 5, Appendix 4 of the Prospectus Guidelines SC-GL/PG-2012 (R2-2017) issued by SC with respect to the issuance of an Abridged Prospectus. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Corporate Exercises described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities of APHB other than the Corporate Exercises.

Yours faithfully



Ernst & Young  
AF: 0039  
Chartered Accountants



Sundralingam A/L Navaratnam  
No. 2984/05/18(J)  
Chartered Accountant

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

**Notes to the Pro Forma Consolidated Statement of Financial Position**

**1 Basis of preparation**

The Pro Forma Consolidated Statement of Financial Position of APHB, for which the Directors are solely responsible, has been prepared for illustrative purposes only, to illustrate the impact of the following events or transactions on APHB's financial position as at 31 March 2016 as if the events or transactions had taken place on 31 March 2016.

- a) Renounceable rights issue of up to RM99,256,461 nominal value of 5-year 3% irredeemable convertible unsecured loan stocks to be issued at 100% of its nominal value of RM1.00 each ("ICULS") in the Company on the basis of 1 ICULS for every 10 existing ordinary shares in the Company held as at 5:00 p.m. on 28 April 2017, together with up to 198,512,922 free new detachable warrants ("Warrants") to be issued on the basis of 2 Warrants for each ICULS subscribed ("Rights Issue of ICULS with Warrants"); and
- b) Exemption to Mah Sau Cheong (Major Shareholder) and person acting in concert with him ("PAC") from the obligation to undertake a mandatory take-over offer for all the remaining ordinary shares, convertible securities and new ordinary shares to be issued pursuant to the conversion of ICULS or the exercise of the Warrants not held by the Major Shareholder or his PAC which had been granted by the Securities Commission Malaysia ("SC") on 14 February 2017 ("Exemption").

(Collectively referred to as "Corporate Exercises").

The Pro Forma Consolidated Statement of Financial Position has been prepared in a manner consistent with both the format of the consolidated statement of financial position and accounting policies of the audited financial statements of APHB for the financial year ended 31 March 2016.

The financial statements of APHB for the financial year ended 31 March 2016 were prepared in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 ("Act") in Malaysia.

APHB is adopting the Frequently Asked Questions (enforcement date of Companies Act, 2016 in Malaysia and transitional issues) which was updated by the Companies Commission of Malaysia on 3 April 2017, that allows compliance with the Act for financial statements for annual periods ended on or before 31 January 2017 and with their accompanying reports dated on or before 31 July 2017.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

**2 The rights issue of ICULS with free Warrants**

The Company shall provisionally allot up to RM99,256,461 nominal value of ICULS at 100% of its nominal value on the basis 1 ICULS for every 10 existing ordinary shares held by the shareholders of the Company whose names appear in the Company's Record of Depositors as at the close of business on 28 April 2017, together with up to 198,512,922 Warrants to be issued on the basis of 2 Warrants for each ICULS subscribed.

**3 Utilisation of proceeds**

The gross proceeds from the Rights Issue of ICULS will be utilised in the following manner:

	Minimum Scenario RM'000	Maximum Scenario RM'000
Acquisition of new land	53,000	62,550
Working capital	10,300	10,006
Repayment of bank borrowings	-	25,000
Payment of estimated expenses in connection with the Corporate Exercises <sup>(a)</sup>	1,700	1,700
<b>Total</b>	<b>65,000</b>	<b>99,256</b>

**Note**

(a) The estimated expenses relating to the Corporate Exercises of RM1.70 million comprise, amongst others, professional fees, fees payable to the relevant authorities and costs related to convening the forthcoming EGM in connection with the Corporate Exercises as follows:

	Minimum Scenario RM'000	Maximum Scenario RM'000
Professional fees	1,000	1,000
Fees payable to the relevant authorities	193	193
Printing and advertisement	350	350
Miscellaneous	157	157
	<b>1,700</b>	<b>1,700</b>

The above is merely an estimation and the final amount can only be determined upon issuance of the ICULS. Any surplus or shortfall of funds for the payment of expenses for the Corporate Exercises will be utilised for working capital or be funded from working capital respectively.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

#### 4 Pro Forma adjustments to the Pro Forma Consolidated Statement of Financial Position

##### a) Minimum Scenario

The Minimum Scenario assumes only the major shareholders of the Company, Mah Sau Cheong and his spouse ("Undertaking Shareholders") to subscribe in full for their respective entitlements under the Rights Issue of ICULS with Warrants ("Irrevocable Undertaking") and irrevocable undertakings from the Undertaking Shareholders to subscribe by way of excess application, in aggregate with the Irrevocable Undertaking, for up to RM65,000,000 nominal value of ICULS at 100% of its nominal value pursuant to the Rights Issue of ICULS with Warrants ("Additional Undertaking")

##### Pro Forma I

Pro Forma I incorporates the Rights Issue of ICULS with Warrants.

Based on Undertaking Shareholders' Irrevocable Undertaking and Additional Undertaking, this will result in the issuance of RM65,000,000 nominal value of ICULS of RM1.00 each and 130,000,000 Warrants. This will generate total gross cash proceeds of RM65,000,000 which will be allocated to the liability portion for the ICULS based on fair value of the liability component. The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at 6.72% p.a. being the rate of interest applied by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The residual value of the ICULS after deducting the liability component will to be allocated to the equity component for the Warrant Reserve and equity component of ICULS.

The estimated expenses in relation to the Rights Issue of ICULS of RM1.7 million will be debited proportionately to the Warrants Reserve, equity component of the ICULS and the liability component of the ICULS.

##### Pro Forma II

Pro Forma II incorporates Pro Forma I and assumes full conversion of the ICULS.

The conversion rate of the ICULS has been fixed at 5 new APHB Shares for every ICULS held. The full conversion of the ICULS will increase the share capital by 325,000,000 units and RM65,000,000 in value.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

**4 Pro Forma adjustments to the Pro Forma Consolidated Statement of Financial Position (cont'd.)**

**a) Minimum Scenario (cont'd.)**

**Pro Forma III**

Pro Forma III incorporates Pro Forma II and assumes full exercise of the Warrants.

The exercise price of the Warrants has been fixed at RM0.25 for each new APHB Share. The full exercise of the Warrants will increase the share capital by 130,000,000 units and RM26,000,000 in value and will increase the share premium by RM6,500,000.

**b) Maximum Scenario**

The Maximum Scenario assumes all the Entitled Shareholders subscribe in full for their respective entitlements on the basis of 1 ICULS for every 10 APHB Shares held.

**Pro Forma I**

Pro Forma I incorporates the Rights Issue of ICULS with Warrants.

Based on the entitlement basis of 1 ICULS for every 10 existing APHB Shares held, this will result in the issuance of RM99,256,461 nominal value of ICULS of RM1.00 each and 198,512,922 Warrants. This will generate total gross cash proceeds of RM99,256,461 which will be allocated to the liability portion for the ICULS based on fair value of the liability component. The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at 6.72% p.a. being the rate of interest applied by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The residual value of the ICULS after deducting the liability component is to be allocated to the equity component for the Warrant Reserve and equity component of ICULS.

The estimated expenses in relation to the Rights Issue of ICULS of RM1.7 million will be debited proportionately to the Warrant Reserve, equity component of the ICULS and the Liability component of the ICULS.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

**4 Pro Forma adjustments to the Pro Forma Consolidated Statement of Financial Position (cont'd.)**

**b) Maximum Scenario (cont'd.)**

**Pro Forma II**

Pro Forma II incorporates Pro Forma I and assumes full conversion of the ICULS.

The conversion rate of the ICULS has been fixed at 5 new APHB Shares for every ICULS held. The full conversion of the ICULS will increase the share capital by 496,282,305 units and RM99,256,461 in value.

**Pro Forma III**

Pro Forma III incorporates Pro Forma II and assumes full exercise of the Warrants.

The exercise price of the Warrants has been fixed at RM0.25 for each new APHB Share. The full exercise of the Warrants will increase the share capital by 198,512,922 units and RM39,702,584 in value and will increase the share premium by RM9,925,646.

**5 Cash and cash equivalents**

The movement in the cash and cash equivalents of the Group are as follows:

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 31 March 2016	55,932	55,932
Arising from the issuance of Rights Issue of ICULS	65,000	99,256
Repayment of loans and borrowings	-	(25,000)
Estimated incidental expenses for the Corporate Exercises	(1,700)	(1,700)
<b>As per Pro Forma I</b>	<b>119,232</b>	<b>128,488</b>
Arising from the exercise of the Warrants	32,500	49,628
<b>As per Pro Forma III</b>	<b>151,732</b>	<b>178,116</b>

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

**6 Share capital**

The movements in the share capital of the Group are as follows:

	Minimum Scenario		Maximum Scenario	
	'000	RM'000	'000	RM'000
As at 31 March 2016	992,565	198,513	992,565	198,513
Arising from the full conversion of ICULS	325,000	65,000	496,282	99,256
<b>As per Pro Forma II</b>	<b>1,317,565</b>	<b>263,513</b>	<b>1,488,847</b>	<b>297,769</b>
Arising from the full exercise of the Warrants	130,000	26,000	198,513	39,703
<b>As per Pro Forma III</b>	<b>1,447,565</b>	<b>289,513</b>	<b>1,687,360</b>	<b>337,472</b>

**7 Share premium**

The movements in the share premium of the Group are as follows:

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 31 March 2016	3,551	3,551
Arising from the full exercise of the Warrants:		
- Share Premium of RM0.05 on exercise of each Warrants	6,500	9,925
- Warrants reserve transfer to Share Premium upon exercise of Warrants	6,365	9,811
<b>As per Pro Forma III</b>	<b>16,416</b>	<b>23,287</b>

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

**8 ICULS and Warrants**

The movements in the ICULS and Warrants Reserve of the Group are as follows:

**a) Minimum Scenario**

	Warrants Reserve RM'000	Equity Component of ICULS RM'000	Liability Component of ICULS RM'000
As at 31 March 2016	-	-	-
Arising from the issuance of 65,000,000 of ICULS at RM1.00 nominal value each	6,536	50,408	8,056
Estimated incidental expenses for the Corporate Exercises	(171)	(1,318)	(211)
<b>As per Pro Forma I</b>	<b>6,365</b>	<b>49,090</b>	<b>7,845</b>
Arising from the full conversion of the ICULS	-	(49,090)	(7,845)
<b>As per Pro Forma II</b>	<b>6,365</b>	<b>-</b>	<b>-</b>
Arising from the full exercise of the Warrants	(6,365)	-	-
<b>As per Pro Forma III</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b) Maximum Scenario**

	Warrants Reserve RM'000	Equity Component of ICULS RM'000	Liability Component of ICULS RM'000
As at 31 March 2016	-	-	-
Arising from the issuance of 99,256,461 of ICULS at RM1.00 nominal value each	9,982	76,973	12,301
Estimated incidental expenses for the Corporate Exercises	(171)	(1,318)	(211)
<b>As per Pro Forma I</b>	<b>9,811</b>	<b>75,655</b>	<b>12,090</b>
Arising from the full conversion of the ICULS	-	(75,655)	(12,090)
<b>As per Pro Forma II</b>	<b>9,811</b>	<b>-</b>	<b>-</b>
Arising from the full exercise of the Warrants	(9,811)	-	-
<b>As per Pro Forma III</b>	<b>-</b>	<b>-</b>	<b>-</b>

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

Asian Pac Holdings Berhad

Appendix I

Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

**9 Retained earnings**

The movements in the retained earnings of the Group are as follows:

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 31 March 2016	656,918	656,918
Arising from the full conversion of the ICULS	(8,065)	(11,511)
As per Pro Forma II	<u>648,853</u>	<u>645,407</u>

## APPENDIX III

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)

## Asian Pac Holdings Berhad

## Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

## Appendix II

The pro forma effects of the Corporate Exercises on the consolidated statement of financial position of the Company assuming the Corporate Exercises had been effected on 31 March 2016 (being the latest audited consolidated statement of financial position of APHB) are as follows:

## MINIMUM SCENARIO

		Pro Forma I	Pro Forma II	Pro Forma III
		After completion of the Rights Issue of ICULS with Warrants	After (I) and full conversion of ICULS	After II and the exercise of all the Warrants
Note	Audited as at 31 March 2016	Adjustments RM'000	Adjustments RM'000	Adjustments RM'000
	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	11,135	11,135	11,135	11,135
Land held for property development	54,373	54,373	54,373	54,373
Investment properties	1,247,226	1,247,226	1,247,226	1,247,226
Intangible asset	14,104	14,104	14,104	14,104
Available-for-sale investments	3,867	3,867	3,867	3,867
Deferred tax assets	1,223	1,223	1,223	1,223
	<u>1,331,928</u>	<u>1,331,928</u>	<u>1,331,928</u>	<u>1,331,928</u>

## APPENDIX III

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad**  
**Pro Forma Consolidated Statement of Financial Position as at 31 March 2016**

## Appendix II

## MINIMUM SCENARIO (CONT'D.)

	Note	Audited as at 31 March 2016 RM'000	Adjustments RM'000	After completion of the Rights Issue of ICULS with Warrants RM'000	Pro Forma I	Adjustments RM'000	After (I) and full conversion of ICULS RM'000	Pro Forma II	Adjustments RM'000	After II and the exercise of all the Warrants RM'000	Pro Forma III
<b>ASSETS</b>											
<b>Current assets</b>											
Property development costs		90,993			90,993			90,993			90,993
Inventories of completed properties		47,672			47,672			47,672			47,672
Trade and other receivables		57,823			57,823			57,823			57,823
Accrued billings in respect of property development costs		20,451			20,451			20,451			20,451
Accrued income		8,033			8,033			8,033			8,033
Prepayment		440			440			440			440
Tax recoverable		5,583			5,583			5,583			5,583
Short term deposits		13,682			13,682			13,682			13,682
Cash and cash equivalents	5	55,932	63,300		119,232			119,232	32,500		151,732
		<u>300,609</u>			<u>363,909</u>			<u>363,909</u>			<u>396,409</u>
<b>Total assets</b>		<u>1,632,537</u>			<u>1,695,837</u>			<u>1,695,837</u>			<u>1,728,337</u>

## APPENDIX III

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)

## Asian Pac Holdings Berhad

## Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

## Appendix II

## MINIMUM SCENARIO (CONT'D.)

		Pro Forma I		Pro Forma II		Pro Forma III
		After completion of the Rights Issue of ICULS with Warrants		After (I) and full conversion of ICULS		After II and the exercise of all the Warrants
	Note	Audited as at 31 March 2016 RM'000	Adjustments RM'000	Adjustments RM'000	Adjustments RM'000	Adjustments RM'000
Equity and liabilities						
Equity attributable to owners of the parent						
Share capital	6	198,513		198,513	263,513	289,513
Share premium	7	3,551		3,551	3,551	16,416
Other reserves		3,334		3,334	3,334	3,334
Warrants Reserve	8	-	6,365	6,365	6,365	(6,365)
Equity component of Irredeemable Convertible Loan Stocks ("ICULS")	8	-	49,090	49,090	-	-
Retained earnings	9	656,918		656,918	648,853	648,853
		862,316		917,771	925,616	958,116
Non-controlling interests		233		233	233	233
Total equity		862,549		918,004	925,849	958,349
Number of outstanding shares		992,565		992,565	1,317,565	1,447,565
Net asset per share		0.87		0.92	0.70	0.66

## APPENDIX III

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)

Asian Pac Holdings Berhad  
Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

## MINIMUM SCENARIO (CONT'D.)

## Appendix II

MINIMUM SCENARIO (CONT'D.)									
		Pro Forma I		Pro Forma II		Pro Forma III			
		After completion of the Rights Issue of ICULS with Warrants		After (I) and full conversion of ICULS		After II and the exercise of all the Warrants			
Note	Audited as at 31 March 2016	Adjustments RM'000	RM'000	Adjustments RM'000	RM'000	Adjustments RM'000	RM'000		
<b>Non-current liabilities</b>									
	198,969		198,969		198,969		198,969		
Deferred tax liabilities	23,086		23,086		23,086		23,086		
Trade and other payables	264,233		264,233		264,233		264,233		
Loans and borrowings									
Irredeemable Convertible									
Loan Stocks ("ICULS")	8	-	7,845	(7,845)	-		-		
		486,288	494,133		486,288		486,288		
<b>Current liabilities</b>									
	116,828		116,828		116,828		116,828		
Loans and borrowings	158,884		158,884		158,884		158,884		
Trade and other payables	699		699		699		699		
Prepayment from tenants									
Progress billings in									
respect of property									
development costs	3,968		3,968		3,968		3,968		
Tax payable	3,321		3,321		3,321		3,321		
	283,700		283,700		283,700		283,700		
	769,988		777,833		769,988		769,988		
<b>Total liabilities</b>									
	1,632,537		1,695,837		1,695,837		1,728,337		
<b>Total equity and liabilities</b>									

## APPENDIX III

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)

## Asian Pac Holdings Berhad

## Appendix II

## Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

## MAXIMUM SCENARIO

	Pro Forma I		Pro Forma II		Pro Forma III			
	Audited as at 31 March 2016 RM'000	Note	Adjustments RM'000	After completion of the Rights Issue of ICULS with Warrants RM'000	Adjustments RM'000	After (I) and full conversion of ICULS RM'000	Adjustments RM'000	After II and the exercise of all the Warrants RM'000
ASSETS								
Non-Current Assets								
Property, plant and equipment	11,135			11,135		11,135		11,135
Land held for property development	54,373			54,373		54,373		54,373
Investment properties	1,247,226			1,247,226		1,247,226		1,247,226
Intangible asset	14,104			14,104		14,104		14,104
Available-for-sale investments	3,867			3,867		3,867		3,867
Deferred tax assets	1,223			1,223		1,223		1,223
	<u>1,331,928</u>			<u>1,331,928</u>		<u>1,331,928</u>		<u>1,331,928</u>

## APPENDIX III

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)

## Asian Pac Holdings Berhad

## Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

## Appendix II

## MAXIMUM SCENARIO (CONT'D.)

		Pro Forma I		Pro Forma II		Pro Forma III	
		Audited as at 31 March 2016 RM'000	After completion of the Rights Issue of ICULS with Warrants RM'000	Adjustments RM'000	After (I) and full conversion of ICULS RM'000	Adjustments RM'000	After II and the exercise of all the Warrants RM'000
	Note						
ASSETS							
Current assets							
Property development costs		90,993	90,993		90,993		90,993
Inventories of completed properties		47,672	47,672		47,672		47,672
Trade and other receivables		57,823	57,823		57,823		57,823
Accrued billings in respect of property development costs		20,451	20,451		20,451		20,451
Accrued income		8,033	8,033		8,033		8,033
Prepayment		440	440		440		440
Tax recoverable		5,583	5,583		5,583		5,583
Short term deposits		13,682	13,682		13,682		13,682
Cash and cash equivalents	5	55,932	128,488	72,556	128,488	49,628	178,116
		300,609	373,165		373,165		422,793
Total assets		1,632,537	1,705,093		1,705,093		1,754,721

## APPENDIX III

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)

Asian Pac Holdings Berhad  
Pro Forma Consolidated Statement of Financial Position as at 31 March 2016

Appendix II

## MAXIMUM SCENARIO (CONT'D.)

		Pro Forma I	Pro Forma II	Pro Forma III
	Note	Audited as at 31 March 2016 RM'000	Adjustments RM'000	After completion of the Rights Issue of ICULS with Warrants RM'000
			Adjustments RM'000	After (I) and full conversion of ICULS RM'000
			Adjustments RM'000	After II and the exercise of all the Warrants RM'000
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	6	198,513		198,513
Share premium	7	3,551		3,551
Other reserves		3,334		3,334
Warrants Reserve	8	-	9,811	9,811
Equity component of Irredeemable Convertible Loan Stocks ("ICULS")	8	-	75,655	75,655
Retained earnings	9	656,918	(75,655)	645,407
		862,316	(11,511)	1,009,500
Non-controlling interests		233		233
Total equity		862,549		1,009,733
Number of outstanding shares		992,565		1,687,360
Net asset per share		0.87		0.60

## APPENDIX III

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ASIAN PAC AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING REPORT THEREON (CONT'D)**

## Appendix II

**Asian Pac Holdings Berhad**  
**Pro Forma Consolidated Statement of Financial Position as at 31 March 2016**

## MAXIMUM SCENARIO (CONT'D.)

	Note	Pro Forma I		Pro Forma II		Pro Forma III	
		Audited as at 31 March 2016 RM'000	Adjustments RM'000	After completion of the Rights Issue of ICULS with Warrants RM'000	Adjustments RM'000	After (I) and full conversion of ICULS RM'000	Adjustments RM'000
						After II and the exercise of all the Warrants RM'000	
<b>Non-current liabilities</b>							
Deferred tax liabilities		198,969		198,969		198,969	
Trade and other payables		23,086		23,086		23,086	
Loans and borrowings		264,233		264,233		264,233	
Irredeemable Convertible Loan Stocks ("ICULS")	8	-	12,090	12,090	(12,090)	-	
		486,288		498,378		486,288	
<b>Current liabilities</b>							
Loans and borrowings	5	116,828	(25,000)	91,828		91,828	
Trade and other payables		158,884		158,884		158,884	
Prepayment from tenants		699		699		699	
Progress billings in respect of property development costs		3,968		3,968		3,968	
Tax payable		3,321		3,321		3,321	
		283,700		258,700		258,700	
<b>Total liabilities</b>		769,988		757,078		744,988	
<b>Total equity and liabilities</b>		1,632,537		1,705,093		1,754,721	

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON**



**ASIAN PAC HOLDINGS BERHAD**  
**(129-T)**  
**(Incorporated in Malaysia)**

**Directors' Report and Audited Financial Statements**  
**31 March 2016**

CERTIFIED TRUE COPY

.....  
CHAN YOON MUN, ACIS

Company Secretary

MAICSA 0927219

Date: 15/4/17

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Directors' report**

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

**Principal activities**

The Company is principally involved in the holding of securities for investment purposes, provision of management services and trading of building materials.

The principal activities of the subsidiaries and associate are disclosed in Notes 7 and 8 to the financial statements respectively.

There has been no significant change in the nature of the principal activities during the financial year.

**Results**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the year	<u>73,611</u>	<u>235</u>
Attributable to:		
Owners of the parent	73,634	235
Non-controlling interests	<u>(23)</u>	<u>-</u>
	<u>73,611</u>	<u>235</u>

There was no material transfer 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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Dividends**

Dividends paid by the Company since 31 March 2015 were as follows:

RM'000

**In respect of the financial year ended 31 March 2015:**

Special single tier dividend of RM0.003 per ordinary share on 992,563,966 ordinary shares, approved on 21 September 2015 and paid on 8 November 2015.

2,978

The directors do not recommend the payment of any dividend in respect of the current financial year.

**Directors**

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

Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas  
 Dato' Mustapha bin Buang  
 Dato' Mohamed Salleh bin Bajuri  
 Tan Siew Poh  
 Yu Tat Loong

**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 acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under Asian Pac Holdings Berhad's ("APHB") Employee Share Option Scheme ("ESOS") as disclosed in Note 15 to the financial statements.

Since the end of the previous financial year, 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 the Company and related corporations as shown in Notes 22 and 23 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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


---

**Directors' interests**

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

	<b>I- Number of APHB ordinary shares of RM0.20 each -I</b>			
	<b>1 April 2015</b>	<b>Acquired</b>	<b>Sold</b>	<b>31 March 2016</b>
<b>Direct interest:</b>				
Dato' Mustapha bin Buang	32,850,985	-	-	32,850,985
Dato' Mohamed Salleh bin Bajuri	-	500,000	-	500,000
Tan Siew Poh	-	2,188	-	2,188
<b>Indirect interest:</b>				
Dato' Mustapha bin Buang	800,000	-	-	800,000

	<b>Number of options pursuant to APHB's ESOS</b>			
	<b>I----- over ordinary shares of RM0.20 each -----I</b>			
	<b>1 April 2015</b>	<b>Granted</b>	<b>Exercised</b>	<b>31 March 2016</b>
<b>Direct interest:</b>				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas	3,150,000	-	-	3,150,000
Dato' Mustapha bin Buang	1,697,500	-	-	1,697,500
Dato' Mohamed Salleh bin Bajuri	2,150,000	-	-	2,150,000
Tan Siew Poh	2,100,000	-	-	2,100,000
Yu Tat Loong	3,500,000	-	-	3,500,000

**Issue of shares**

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM198,205,000 to RM198,512,800 by way of issuance of 1,538,450 ordinary shares of RM0.20 each, for cash pursuant to APHB's ESOS at the weighted average exercise price of RM0.21 per ordinary share. The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Employee Share Option Scheme**

At an Extraordinary General Meeting held on 31 October 2005, shareholders approved the Employee Share Option Scheme ("ESOS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible employees.

The committee administering the ESOS includes 1 director, Dato' Mustapha bin Buang.

The salient features and other terms of the ESOS are disclosed in Note 15 to the financial statements.

The tenure of the ESOS had expired on 30 May 2011 and was extended for another 5 years to mature on 12 April 2016.

On 19 March 2014, the Company granted 53,740,000 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company at an exercise price of RM0.20 per ordinary share. At the closing date of 18 April 2014, 52,075,000 ESOS granted were accepted by employees of the Group.

On 21 October 2014, the Company further granted 7,657,500 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company at an exercise price of RM0.22 per ordinary share. At the closing date of 20 November 2014, 7,300,000 ESOS granted were accepted by employees of the Group.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 500,000 ordinary shares of RM0.20 each. The names of option holders granted options to subscribe for 500,000 or more ordinary shares of RM0.20 each are as follows:

Name	Grant date	Expiry date	Exercise price RM	I----- Number of share options -----I		
				Granted	Exercised	31 March 2016
Wong Yee Kean	19/3/14	12/4/16	0.20	1,320,000	-	1,320,000
Abdul Molok bin Abu Bakar	19/3/14	12/4/16	0.20	950,000	(475,000)	475,000
Goh Chin Wai	19/3/14	12/4/16	0.20	1,080,000	(640,000)	440,000
Lee Heng Chin	19/3/14	12/4/16	0.20	930,000	-	930,000
Chong Ka Loong	19/3/14	12/4/16	0.20	900,000	(300,000)	600,000
Lim Wing Keong	19/3/14	12/4/16	0.20	780,000	(450,000)	330,000
Rozanita bt Zainal Abidin	19/3/14	12/4/16	0.20	750,000	(260,000)	490,000
Jayantimala Biswas						
B.N. Biswas	19/3/14	12/4/16	0.20	750,000	-	750,000
Kee Pooi See	19/3/14	12/4/16	0.20	700,000	(660,000)	40,000
Lim Hock Wah	19/3/14	12/4/16	0.20	600,000	(100,000)	500,000
Ang Huey Ling	19/3/14	12/4/16	0.20	600,000	(175,000)	425,000

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Employee Share Option Scheme (cont'd.)**

Name	Grant date	Expiry date	Exercise price RM	I----- Number of share options -----I		
				Granted	Exercised	31 March 2016
Chin Thau Tshung	19/3/14	12/4/16	0.20	600,000	(200,000)	400,000
Liew Su Hiung	19/3/14	12/4/16	0.20	600,000	(340,000)	260,000
Liong Chee Gin	19/3/14	12/4/16	0.20	600,000	(300,000)	300,000
Valli a/p						
Athymoolam	19/3/14	12/4/16	0.20	540,000	(350,000)	190,000
Kok Kum Soong	19/3/14	12/4/16	0.20	540,000	(10,000)	530,000
Chow Boon Hui	19/3/14	12/4/16	0.20	540,000	-	540,000
Jaafar bin Jamak	19/3/14	12/4/16	0.20	540,000	-	540,000
Ainun bt Abd Halim	19/3/14	12/4/16	0.20	507,500	(250,000)	257,500
Wong Koo Loon	21/10/14	12/4/16	0.22	600,000	-	600,000

Details of options granted to directors are disclosed in the section on directors' interests in this report.

**Other statutory information**

- (a) Before the statements of financial position, statements of profit or loss and other comprehensive income 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 there were no known bad debts 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) it necessary to write off any 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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

---

**Other statutory information (cont'd.)**

- (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) As 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.

**Significant events**

Details of the significant events that occurred during the current financial year are disclosed in Note 7 to the financial statements.

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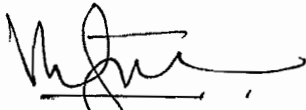
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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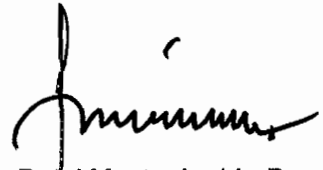
**Auditors**

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

Signed on behalf of the Board in accordance with a resolution of the directors dated **18 JUL 2016**



Tan Sri Dato' Seri Hj. Megat Najmuddin  
bin Datuk Seri Dr Hj. Megat Khas



Dato' Mustapha bin Buang

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**Statement by directors**  
**Pursuant to Section 169(15) of the Companies Act, 1965**

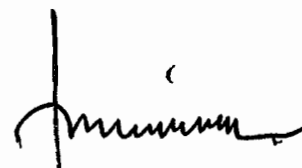
We, Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas and Dato' Mustapha bin Buang, being two of the directors of Asian Pac Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 12 to 118 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 to the financial statements on page 119 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 JUL 2016



Tan Sri Dato' Seri Hj. Megat Najmuddin  
bin Datuk Seri Dr Hj. Megat Khas



Dato' Mustapha bin Buang

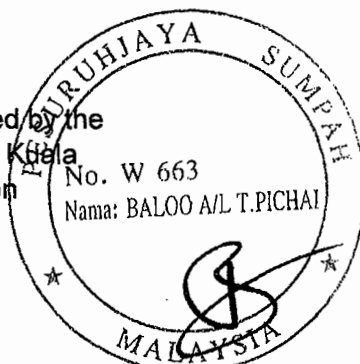
**Statutory declaration**  
**Pursuant to Section 169(16) of the Companies Act, 1965**

I, Wong Yee Kean, being the officer primarily responsible for the financial management of Asian Pac Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 12 to 119 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.

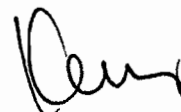
Subscribed and solemnly declared by the  
abovenamed Wong Yee Kean at Kuala  
Lumpur in the Federal Territory on

18 JUL 2016

Before me,



NO. 102 & 104 1st FLOOR BANGUNAN  
PERSATUAN YAP SELANGOR  
JALAN TUN HS LEE  
50000 KUALA LUMPUR



Wong Yee Kean

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


Ernst & Young AF: 0039  
 GST Reg No: 001556430848  
 Chartered Accountants  
 Level 23A Menara Milenium  
 Jalan Damanlela, Pusat Bandar Damansara  
 50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000  
 Fax: +603 2095 5332 (General line)  
 +603 2095 9076  
 +603 2095 9078  
 ey.com

**Independent auditors' report to the members of  
 Asian Pac Holdings Berhad  
 (Incorporated in Malaysia)**

**Report on the financial statements**

We have audited the financial statements of Asian Pac Holdings Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 118.

*Directors' responsibility for the financial statements*

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

*Auditors' responsibility*

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

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

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**



**Independent auditors' report to the members of  
Asian Pac Holdings Berhad (cont'd.)  
(Incorporated in Malaysia)**

*Opinion*

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

**Report on other legal and regulatory requirements**

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Independent auditors' report to the members of  
Asian Pac Holdings Berhad (cont'd.)  
(Incorporated in Malaysia)**

**Other matters**

The supplementary information set out in Note 38 to the financial statements on page 119 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.

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

Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
18 July 2016

Sundralingam A/L Navaratnam  
No. 2984/05/18(J)  
Chartered Accountant

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**Statements of financial position  
As at 31 March 2016**

	Note	Group		Company	
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	11,135	35,838	387	496
Land held for property development	4(a)	54,373	54,068	-	-
Investment properties	5	1,247,226	1,133,136	-	-
Intangible asset	6	14,104	14,796	-	-
Investments in subsidiaries	7	-	-	454,858	449,204
Investment in an associate	8	-	-	-	-
Available-for-sale investments	9	3,867	4,555	1,212	1,374
Deferred tax assets	10	1,223	2,495	-	15
		<u>1,331,928</u>	<u>1,244,888</u>	<u>456,457</u>	<u>451,089</u>
<b>Current assets</b>					
Property development costs	4(b)	90,993	98,115	-	-
Inventories of completed properties	11	47,672	23,783	-	-
Trade and other receivables	12	57,823	48,911	35,891	11,751
Accrued billings in respect of property development costs		20,451	35,142	-	-
Accrued income		8,033	69	4	17
Prepayment		440	351	37	38
Tax recoverable		5,583	1,371	106	788
Financial assets at fair value through profit or loss	13	-	12,221	-	2,043
Short term deposits	14	13,682	13,306	-	-
Cash and cash equivalents	14	55,932	71,883	5,161	31,877
		<u>300,609</u>	<u>305,152</u>	<u>41,199</u>	<u>46,514</u>
<b>Total assets</b>		<u>1,632,537</u>	<u>1,550,040</u>	<u>497,656</u>	<u>497,603</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Statements of financial position  
As at 31 March 2016 (cont'd.)**

	Note	Group		Company	
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	15	198,513	198,205	198,513	198,205
Share premium		3,551	3,427	3,551	3,427
Other reserves	16	3,334	3,778	81,300	81,463
Retained earnings		656,918	586,262	134,311	137,054
		862,316	791,672	417,675	420,149
<b>Non-controlling interests</b>		233	256	-	-
<b>Total equity</b>		862,549	791,928	417,675	420,149
<b>Non-current liabilities</b>					
Deferred tax liabilities	10	198,969	192,506	2	5
Trade and other payables	18	23,086	13,142	-	-
Loans and borrowings	17	264,233	248,490	266	374
		486,288	454,138	268	379
<b>Current liabilities</b>					
Loans and borrowings	17	116,828	127,864	50,108	50,105
Trade and other payables	18	158,884	174,886	29,605	26,970
Prepayment from tenants		699	699	-	-
Progress billings in respect of property development costs		3,968	-	-	-
Tax payable		3,321	525	-	-
		283,700	303,974	79,713	77,075
<b>Total liabilities</b>		769,988	758,112	79,981	77,454
<b>Total equity and liabilities</b>		1,632,537	1,550,040	497,656	497,603

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Statements of profit or loss  
For the year ended 31 March 2016**

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	19	154,905	230,269	6,853	11,298
Cost of sales	20	(116,595)	(170,798)	(3,561)	-
Gross profit		38,310	59,471	3,292	11,298
Other income	21	128,021	524,151	10,961	52,478
Employee benefits expense	22	(15,900)	(18,016)	(2,601)	(2,641)
Depreciation		(2,385)	(2,429)	(131)	(144)
Other expenses		(32,760)	(28,140)	(6,646)	(3,829)
Operating profit		115,286	535,037	4,875	57,162
Finance costs	24	(27,210)	(6,193)	(3,946)	(4,021)
Profit before tax	25	88,076	528,844	929	53,141
Income tax (expense)/benefit	26	(14,465)	(152,265)	(694)	8
Profit for the year		73,611	376,579	235	53,149
<b>Profit attributable to:</b>					
Owners of the parent		73,634	376,591	235	53,149
Non-controlling interests		(23)	(12)	-	-
		73,611	376,579	235	53,149
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
Basic	27(a)	7.4	38.2		
Diluted	27(b)	7.4	37.8		

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Statements of other comprehensive income  
For the year ended 31 March 2016**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the year</b>	73,611	376,579	235	53,149
<b>Other comprehensive (loss)/income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Fair value (loss)/gain on available-for-sale investments	(324)	166	(43)	44
<b>Total comprehensive income for the year</b>	<b>73,287</b>	<b>376,745</b>	<b>192</b>	<b>53,193</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	73,310	376,757	192	53,193
Non-controlling interests	(23)	(12)	-	-
	<b>73,287</b>	<b>376,745</b>	<b>192</b>	<b>53,193</b>

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

## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Asian Pac Holdings Berhad  
(Incorporated in Malaysia)Consolidated statement of changes in equity  
For the year ended 31 March 2016

## Group

	Attributable to owners of the parent				Non-controlling interests RM'000 (Note 7)	Total equity RM'000
	Share capital RM'000 (Note 15)	Non-distributable Share premium RM'000	Other reserves RM'000 (Note 16)	Distributable Retained earnings RM'000		
<b>At 31 March 2016</b>						
At 1 April 2015	198,205	3,427	3,778	586,262	256	791,928
Total comprehensive income for the year	-	-	(324)	73,634	(23)	73,287
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(2,978)	-	(2,978)
Issue of ordinary shares pursuant to ESOS exercised (Note 15)	308	124	(120)	-	-	312
At 31 March 2016	198,513	3,551	3,334	656,918	233	862,549

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**

**Consolidated statement of changes in equity  
For the year ended 31 March 2016 (cont'd.)**

**Group**

	Attributable to owners of the parent					Non- controlling interests RM'000 (Note 7)	Total equity RM'000
	Non-distributable		Distributable		Total		
	Share capital RM'000 (Note 15)	Share premium RM'000	Other reserves RM'000 (Note 16)	Retained earnings RM'000	RM'000		
<b>At 31 March 2015</b>							
At 1 April 2014	195,063	2,206	201	211,651	409,121	268	409,389
Total comprehensive income for the year	-	-	166	376,591	376,757	(12)	376,745
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(1,980)	(1,980)	-	(1,980)
Share options granted under ESOS	-	-	4,632	-	4,632	-	4,632
Issue of ordinary shares pursuant to ESOS exercised (Note 15)	3,142	1,221	(1,221)	-	3,142	-	3,142
At 31 March 2015	198,205	3,427	3,778	586,262	791,672	256	791,928

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**

**Statement of changes in equity  
For the year ended 31 March 2016**

**Company**

	Share capital RM'000 (Note 15)	Non-distributable Share premium RM'000	Other reserves RM'000 (Note 16)	Distributable Retained earnings RM'000	Total equity RM'000
<b>At 31 March 2016</b>					
At 1 April 2015	198,205	3,427	81,463	137,054	420,149
Total comprehensive income for the year	-	-	(43)	235	192
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(2,978)	(2,978)
Issue of ordinary shares pursuant to ESOS (Note 15)	308	124	(120)	-	312
At 31 March 2016	198,513	3,551	81,300	134,311	417,675

**At 31 March 2015**

At 1 April 2014	195,063	2,206	78,008	85,885	361,162
Total comprehensive income for the year	-	-	44	53,149	53,193
Dividends paid for the financial year ended 31 March 2015 (Note 28)	-	-	-	(1,980)	(1,980)
Share options granted under ESOS	-	-	4,632	-	4,632
Issue of ordinary shares pursuant to ESOS (Note 15)	3,142	1,221	(1,221)	-	3,142
At 31 March 2015	198,205	3,427	81,463	137,054	420,149

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**Statements of cash flows  
For the year ended 31 March 2016**

	Note	Group		Company	
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		88,076	528,844	929	53,141
Adjustments for:					
Bad debts recovered	12(b)	(58)	(60)	-	-
Depreciation of property, plant and equipment	3	2,385	2,429	131	144
ESOS option cost	22, 23	-	4,632	-	550
Net gain on changes in fair value of investment properties	5	(103,115)	(519,359)	-	-
Gain on fair value adjustments of financial assets at fair value through profit or loss	21	(95)	(290)	(41)	(43)
Impairment on:					
- quoted investments	25	364	-	119	-
- investment in subsidiaries	25	-	-	5,766	-
- intangible asset	6	692	2,479	-	-
- other receivables	12(b)	529	236	-	236
Loss/(gain) on disposal of property, plant and equipment	21, 25	3	(154)	-	(80)
Property, plant and equipment written off	25	53	158	-	-
Reversal of impairment loss on:					
- other receivables	12(b)	-	(83)	-	-
- investment in subsidiaries	7, 21	-	-	(10,920)	(52,355)
Unwinding of discount	21	(1,438)	(285)	-	-
Interest expense	24	27,210	6,193	3,946	4,021
Interest income	19,21	(1,751)	(2,731)	(372)	(751)
Dividend income	19	(10)	(6)	-	(8,900)
Operating profit/(loss) before working capital changes		12,845	22,003	(442)	(4,037)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**Statements of cash flows  
For the year ended 31 March 2016 (cont'd.)**

	Note	Group		Company	
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities (cont'd.)</b>					
Changes in working capital:					
Decrease in property development costs		6,819	116,223	-	-
(Increase)/decrease in trade and other receivables		(2,760)	20,161	(14,804)	(242)
Increase in inventories		(23,889)	(17,093)	-	-
(Decrease)/increase in trade and other payables		(650)	19,162	1,995	(35,935)
Changes in subsidiaries balances		-	-	(8,694)	10,803
Cash (used in)/generated from operations		(7,635)	160,456	(21,945)	(29,411)
Interest received		384	314	384	751
Dividend received		-	-	-	8,900
Taxes paid		(8,145)	(27,015)	-	-
Net cash (used in)/generated from operating activities		(15,396)	133,755	(21,561)	(19,760)
<b>Cash flows from investing activities</b>					
Interest received		1,379	2,019	-	-
Dividend received		10	6	-	-
Subscription in capital of a subsidiary company		-	-	(500)	-
Proceeds from disposal of property, plant and equipment		-	156	-	80
Purchase of property, plant and equipment		(3,654)	(4,472)	(22)	(61)
Purchase of investment properties		-	(205,639)	-	-
Placement in short term deposits		-	(13,306)	-	-
Placement in financial assets at fair value through profit or loss		-	(11,931)	-	(2,000)
Proceeds from disposal of financial assets at fair value through profit or loss		11,941	-	2,084	-
Proceeds from government grant		15,251	-	-	-
Net cash generated from/(used in) investing activities		24,927	(233,167)	1,562	(1,981)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**Statements of cash flows  
For the year ended 31 March 2016 (cont'd.)**

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Cash flows from financing activities</b>					
Net repayment of hire purchase payables		(533)	(424)	(105)	(68)
Proceeds from issuance of shares - ESOS		312	3,142	312	3,142
ESOS cost received		-	-	-	4,082
Drawdown of loans		52,152	318,151	-	50,000
Repayment of term loans		(48,487)	(231,293)	-	-
Dividend paid		(2,978)	(1,980)	(2,978)	(1,980)
Interest paid		(25,948)	(6,179)	(3,946)	(4,021)
Net cash (used in)/generated from financing activities		(25,482)	81,417	(6,717)	51,155
<b>Net (decrease)/increase in cash and cash equivalents</b>		(15,951)	(17,995)	(26,716)	29,414
<b>Cash and cash equivalents at beginning of year</b>		71,883	89,878	31,877	2,463
<b>Cash and cash equivalents at end of year</b>	14	55,932	71,883	5,161	31,877

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)****Notes to the financial statements - 31 March 2016****1. Corporate information**

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Menara SMI, No.6, Lorong P. Ramlee, 50250 Kuala Lumpur and the principal place of business of the Company is located at Ground Floor, Menara SMI, No.6, Lorong P. Ramlee, 50250 Kuala Lumpur.

The Company is principally involved in the holding of securities for investment purposes, provision of management services and trading of building materials. The principal activities of the subsidiaries and associate are disclosed in Notes 7 and 8 to the financial statements, respectively.

There has been no significant change in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 July 2016.

**2. Significant accounting policies****2.1 Basis of preparation**

These set of financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2015 as described fully in Note 2.2.

These set of financial statements have been prepared under the historical cost basis except when otherwise disclosed. Furthermore, these set of financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

## **2. Significant accounting policies (cont'd.)**

### **2.2 Changes in accounting policies**

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

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

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

The nature and impact of the new and amended FRSs and IC Interpretation are described below:

#### **Amendments to FRS 119 Defined Benefit Plans: Employee Contributions**

The amendments to FRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's financial statements.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

**2.2 Changes in accounting policies (cont'd.)**

**Annual Improvements to FRSs 2010–2012 Cycle**

The Annual Improvements to FRSs 2010-2012 Cycle include a number of amendments to various FRSs, which are summarised below.

<b>Standards</b>	<b>Descriptions</b>
FRS 2 Share-based Payment	<p>This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:</p> <ul style="list-style-type: none"> <li>- A performance condition must contain a service condition;</li> <li>- A performance target must be met while the counterparty is rendering service;</li> <li>- A performance target may relate to the operations or activities of an entity, or those of another entity in the same group;</li> <li>- A performance condition may be a market or non-market condition; and</li> <li>- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.</li> </ul> <p>The Group did not grant any awards during the year. Thus, this amendment did not impact the Group.</p>
FRS 3 Business Combinations	<p>The amendments to FRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 9 or FRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014. This is consistent with the Group's current accounting policy and thus, this amendment did not impact the Group.</p>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**2. Significant accounting policies (cont'd.)**
**2.2 Changes in accounting policies (cont'd.)**
**Annual Improvements to FRSs 2010–2012 Cycle (cont'd.)**

<b>Standards</b>	<b>Descriptions</b>
FRS 8 Operating Segments	<p>The amendments are to be applied retrospectively and clarify that:</p> <ul style="list-style-type: none"> <li>- an entity must disclose the judgements made by management in applying the aggregation criteria in FRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and</li> <li>- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.</li> </ul> <p>The Group has not applied the aggregation criteria as mentioned above. The Group continues to present the reconciliation of segment assets to total assets.</p>
FRS 116 Property, Plant and Equipment and FRS 138 Intangible Assets	<p>The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset. This amendment did not have any impact on the Group.</p>
FRS 124 Related Party Disclosures	<p>The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. This amendment is not applicable to the Group as the Group does not receive any management services from other entities.</p>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

**2.2 Changes in accounting policies (cont'd.)**

**Annual Improvements to FRSs 2011–2013 Cycle**

The Annual Improvements to FRSs 2011-2013 Cycle include a number of amendments to various FRSs, which are summarised below. The Group has applied the amendments for the first time in the current year.

<b>Standards</b>	<b>Descriptions</b>
FRS 3 Business Combinations	The amendments to FRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively. The Group does not have any joint arrangement and thus this is not relevant to the Group.
FRS 13 Fair Value Measurement	The amendments to FRS 13 clarify that the portfolio exception in FRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of FRS 9 (or FRS 139 as applicable). The Group does not apply the portfolio exception.
FRS 140 Investment Property	<p>The amendments to FRS 140 clarify that an entity acquiring investment property must determine whether:</p> <ul style="list-style-type: none"> <li>- the property meets the definition of investment property in terms of FRS 140; and</li> <li>- the transaction meets the definition of a business combination under FRS 3,</li> </ul> <p>to determine if the transaction is a purchase of an asset or is a business combination.</p> <p>In previous financial years, the Group has applied FRS 3 and not FRS 140 in determining whether an acquisition is of an asset or is a business combination. Accordingly, this amendment did not have any impact to the Group.</p>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**
**2.3 Standards and interpretations issued but not yet effective**

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

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

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

**Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset forms part of the business) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants**

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

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. These amendments are not expected to have any impact to the Group.

**Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group.

**Amendments to FRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations**

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**Amendments to FRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations (cont'd.)**

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

**Amendments to FRS 127: Equity Method in Separate Financial Statements**

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

**Amendments to FRS 101: *Disclosure Initiatives***

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

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

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

**Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception**

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception (cont'd.)**

In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

**FRS 14 Regulatory Deferral Accounts**

FRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of FRS. Entities that adopt FRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing FRS preparer, this standard would not apply.

**FRS 9 Financial Instruments**

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

**Annual Improvements to FRSs 2012–2014 Cycle**

The Annual Improvements to FRSs 2012-2014 Cycle include a number of amendments to various FRSs, which are summarised below. The Group and the Company are currently assessing the impact of the application of this standard on the financial position and performance of the Group and the Company.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**2. Significant accounting policies (cont'd.)**
**2.3 Standards and interpretations issued but not yet effective (cont'd.)**
**Annual Improvements to FRSs 2012–2014 Cycle (cont'd.)**

<b>Standards</b>	<b>Descriptions</b>
FRS 5 Non-current Assets Held for Sale and Discontinued Operations	<p>The amendment to FRS 5 clarifies that changing from one disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in FRS 5.</p> <p>The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.</p>
FRS 7 Financial Instruments: Disclosures	The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in FRS 7 in order to assess whether the disclosures are required.
FRS 119 Employee Benefits	The amendment to FRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
FRS 134 Interim Financial Reporting	<p>FRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.</p> <p>The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (such as in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.</p>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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**2. Significant accounting policies (cont'd.)****2.3 Standards and interpretations issued but not yet effective (cont'd.)****Malaysian Financial Reporting Standards (MFRS Framework)**

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

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

The Company falls within the definition of Transitioning Entities and is currently exempted from adopting the MFRS. Accordingly, the Company will adopt the MFRS and present its first MFRS financial statements when adoption of the MFRS is mandated by the MASB. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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

**2.4 Summary of significant accounting policies****(a) 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 to like transactions and events in similar circumstances.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**2. Significant accounting policies (cont'd.)**

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

**(a) Basis of consolidation (cont'd.)**

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

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment 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.

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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(a) Basis of consolidation (cont'd.)**

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

**Business combinations**

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income.

If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(a) Basis of consolidation (cont'd.)**

**Business combinations (cont'd.)**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.4(d).

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The acquisition of equity interest in the previous years have been accounted for as a business combination involving entities under common control. Accordingly, the assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid, the share capital of the "acquired" entity and the pre-acquisition reserves as at date of common control is reflected within equity as merger reserve.

**(b) Subsidiaries**

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

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment 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 investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

**(c) Transactions with non-controlling interests**

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


---

**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(c) Transactions with non-controlling interests (cont'd.)**

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

**(d) Intangible asset**

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Goodwill is not amortised but instead, is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

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

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(e) Investment in an associate**

An associate is an entity, not being a subsidiary nor a joint venture, 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 in control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The financial statements of the associate are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**2. Significant accounting policies (cont'd.)**

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

**(e) Investment in an associate (cont'd.)**

The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investment in an associate is accounted for at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

**(f) Property, plant and equipment, and depreciation**

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Certain long term leasehold land and building have not been revalued since they were first revalued in 1992. The directors have not adopted a policy of regular valuations of such assets. As permitted under the transitional provisions of International Accounting Standards (IAS) No. 16 (Revised): Property, Plant and Equipment adopted by the Malaysian Accounting Standards Board ("MASB"), the long term leasehold land and building is stated at their 1992 valuation less accumulated depreciation and impairment losses.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**2. Significant accounting policies (cont'd.)**

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

**(f) Property, plant and equipment, and depreciation (cont'd.)**

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost or valuation of each asset to its residual value over the estimated useful life, at the following annual rates:

Long term leasehold land	1%
Long term leasehold buildings	1% - 2%
Motor vehicles	20%
Office furniture and equipment	20%
Plant and machinery	20%
Renovation	20%

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 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.

**(g) 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 using the comparison method considering recent market transactions for similar properties in the same location as well as the investment method that makes reference to estimated market rental values and equivalent yields. Valuations are performed by accredited 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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(g) Investment properties (cont'd.)**

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 gains or losses on the retirement or disposal of investment properties are 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 as set out in Note 2.4(f) up to the date of change in use.

Investment properties under construction are measured at cost as the fair value could not be reliably obtained.

**(h) Land held for property development and property development costs**

**(i) 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 to property development costs (classified within current assets) when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Land held for property development comprises costs associated with the acquisition of land and all costs incurred subsequent to the acquisition but prior to the transfer to property development costs on activities necessary to prepare the land for its intended use.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**2. Significant accounting policies (cont'd.)**
**2.4 Summary of significant accounting policies (cont'd.)**
**(h) Land held for property development and property development costs (cont'd.)**
**(i) Land held for property development (cont'd.)**

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201.

**(ii) 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. Costs consist of land and development expenditure. Development expenditures include borrowing costs relating to the financing of the land and development.

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

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 it 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 current assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within current liabilities.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(i) Impairment of non-financial assets**

The Group and the Company assess 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 and the Company make 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 flow (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 assets. 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.

**(j) Financial assets**

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(j) Financial assets (cont'd.)**

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

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

**(i) 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.

**(ii) 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 expenses or other income.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(j) Financial assets (cont'd.)**

**(ii) Financial assets at fair value through profit or loss (cont'd.)**

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

**(iii) Available-for-sale financial assets**

Available-for-sale ("AFS") financial assets are financial assets that are designated as available for sale or are not classified in any of the other categories.

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

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

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

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 i.e. the date that the Group and the Company commit to purchase or sell the asset.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(j) Financial assets (cont'd.)**

**Derecognition**

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.

**(k) 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.

**(i) Trade and other receivables and other financial assets carried at amortised costs**

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, 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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(k) Impairment of financial assets (cont'd.)**

**(i) Trade and other receivables and other financial assets carried at amortised costs (cont'd.)**

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.

**(ii) Unquoted equity securities carried at cost**

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency of 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.

**(iii) Assets classified as AFS**

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

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

Impairment losses on AFS 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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(l) Inventories of completed properties**

Inventories of completed properties are stated at lower of cost (determined on the specific identification basis) and net realisable value ("NRV"). Cost includes costs associated with the acquisition of land, direct costs and appropriate proportions of common costs.

NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

**(m) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank balances, demand deposits, and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(n) Financial liabilities**

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

Financial liabilities, within the scope of FRS 139, are recognised in the statements 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.

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

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

Financial liabilities held for trading include derivatives entered into by the Group and the Company 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.

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(n) Financial liabilities (cont'd.)**

**(ii) Other financial liabilities**

The Group and the Company classify their financial liabilities as other financial liabilities which 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.

**(o) Provisions**

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

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 finance cost.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(p) Leases**

**(i) As a 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.

Total 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.

**(ii) As a 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 2.4(w)(v).

**(q) 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. Capitalisation of borrowing costs shall cease when substantially all the activities to prepare the asset for its intended use or sale are completed.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


---

**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(q) Borrowing costs (cont'd.)**

All other borrowing costs are recognised in profit or loss in the period in which 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.

**(r) Income taxes**

**(i) 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.

**(ii) 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 2.4(g), 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, 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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


---

**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(r) Income taxes (cont'd.)**

**(ii) Deferred tax (cont'd.)**

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, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(s) 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 country in which it has operations. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to the defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**(iii) Share-based compensation**

The Asian Pac Holdings Berhad's Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision in original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the options expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**2. Significant accounting policies (cont'd.)**

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

**(t) Foreign currencies**

**(i) 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 Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

**(ii) 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 the translation of monetary items, are included 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 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 equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

**(iii) 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 transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


---

**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(t) Foreign currencies (cont'd.)**

**(iii) Foreign operations (cont'd.)**

On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income are accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in 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.

**(u) Current versus non-current classification**

The Group and the Company present their assets and liabilities in the 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

**(v) Fair value measurement**

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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad  
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**2. Significant accounting policies (cont'd.)**
**2.4 Summary of significant accounting policies (cont'd.)**
**(v) Fair value measurement (cont'd.)**

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) 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 and the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit 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 value.

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

The Group measures investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group had engaged independent professional valuers to determine the fair values as at the reporting date.

**(w) 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 they can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable.

**(i) Sale of properties**

Revenue from sale of properties are accounted for by the stage of completion method as described in Note 2.4(h)(ii).

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(w) Revenue and other income (cont'd.)**

**(ii) Sale of building materials**

Revenue from the sale of building materials are recognised net of discounts upon the transfer of significant risks and rewards to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

**(iii) Car park operations**

Revenue from car park operations are recognised as and when the services are rendered.

**(iv) Interest Income**

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, 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 revenue and other income in the statement of profit or loss.

**(v) Rental income**

Rental income is recognised on a straight-line basis over the lease terms. 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.

**(vi) Dividend income**

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

**(vii) Management fees**

Management fees are recognised when these services are rendered.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(x) Tenant deposits**

Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

**(y) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to an asset is presented in the statement of financial position by deducting the grants in arriving at the carrying amount of the asset. Alternatively, the fair value may be recognised as deferred capital grant in the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

**(z) Segment reporting**

For management reporting 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 reviews 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 37 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

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

**(aa) Share capital and share issuance expenses**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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.

**(ab) 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.

**2.5 Significant accounting judgements and estimates**

**(a) Judgements made in applying accounting policies**

The preparation of the Group's financial statements requires the management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material judgement to the carrying amount of the asset or liability affected in the future.

**(i) Classification between investment properties and property, plant and equipment**

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**2. Significant accounting policies (cont'd.)**

**2.5 Significant accounting judgements and estimates (cont'd.)**

**(a) Judgements made in applying accounting policies (cont'd.)**

**(i) Classification between investment properties and property, plant and equipment (cont'd.)**

If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

**(ii) 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.

**(iii) Impairment of available-for-sale investments**

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

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

For the financial year ended 31 March 2016, the amount of impairment loss recognised for available-for-sale financial assets for the Group and the Company were RM364,000 (2015: RMNil) and RM119,000 (2015: RMNil) respectively.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**2. Significant accounting policies (cont'd.)**

**2.5 Significant accounting judgements and estimates (cont'd.)**

**(b) 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:

**(i) Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. The recoverable amount of the property development CGU has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering five-year periods. The property development's CGU used in the five-year cash flow projections is based on the expected sales and contracted costs throughout the duration of development project and using the stage of completion method as described in the property development cost Note 2.4(h)(ii). The carrying amount of goodwill as at 31 March 2016 was RM14,104,000 (2014: RM14,796,000). Further details are disclosed in Note 6 to the financial statements.

**(ii) Property development**

The Group recognises property development revenue and expenses 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 to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. Details of property development costs are disclosed in Note 4(b) to the financial statements.

**(iii) Deferred tax**

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**2. Significant accounting policies (cont'd.)**

**2.5 Significant accounting judgements and estimates (cont'd.)**

**(b) Key sources of estimation uncertainty (cont'd.)**

**(iv) Income tax**

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of the income tax expense are disclosed in Note 26 to the financial statements.

**(v) Allowance for bad and doubtful debts**

The policy for allowance for bad and doubtful debts of the Group is based on management's judgement and the evaluation of collectability and ageing analysis of the receivables inclusive of retention sum and advances to sub-contractors. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, additional allowance may be required.

**(vi) Fair values of investment properties**

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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**2. Significant accounting policies (cont'd.)**

**2.5 Significant accounting judgements and estimates (cont'd.)**

**(b) Key sources of estimation uncertainty (cont'd.)**

**(vii) Employee share options**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at grant date. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including volatility and dividend yield.

## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Asian Pac Holdings Berhad  
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## 3. Property, plant and equipment

Group	At valuation -----		At cost -----		Total RM'000
	Long term leasehold building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Long term leasehold land and renovation RM'000	
At 31 March 2016					
At valuation/cost					
At 1 April 2015	200	170	26,345	7,868	46,141
Additions	-	-	395	-	3,964
Transfer to investment properties (Note 5)	-	-	(22,381)	(7,340)	(29,721)
Disposal	-	-	-	-	(5)
Write off	-	-	-	(462)	(462)
At 31 March 2016	200	170	4,359	528	19,917
Accumulated depreciation					
At 1 April 2015	96	78	3,407	662	10,303
Depreciation charge for the year (Note 25)	4	5	51	5	2,385
Transfer to investment properties (Note 5)	-	-	(2,884)	(611)	(3,495)
Disposal	-	-	-	-	(2)
Write off	-	-	-	(409)	(409)
At 31 March 2016	100	83	574	56	8,782
Net carrying amount					
At 31 March 2016	100	87	3,785	472	11,135

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## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Asian Pac Holdings Berhad  
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## 3. Property, plant and equipment (cont'd.)

Group	At valuation		At cost		Total RM'000
	Long term leasehold building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Long term leasehold land RM'000	
At 31 March 2015					
At valuation/cost					
At 1 April 2014	200	170	26,345	7,868	44,276
Additions	-	-	-	-	5,882
Disposal	-	-	-	-	(1,521)
Write off	-	-	-	-	(2,496)
At 31 March 2015	200	170	26,345	7,868	46,141
Accumulated depreciation					
At 1 April 2014	92	73	2,916	562	11,731
Depreciation charge for the year (Note 25)	4	5	491	100	2,429
Disposal	-	-	-	-	(1,519)
Write off	-	-	-	-	(2,338)
At 31 March 2015	96	78	3,407	662	10,303
Net carrying amount					
At 31 March 2015	104	92	22,938	7,206	35,838

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
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**3. Property, plant and equipment (cont'd.)**

<b>Company</b>	<b>Motor vehicles RM'000</b>	<b>Office furniture and equipment RM'000</b>	<b>Total RM'000</b>
<b>At 31 March 2016</b>			
<b>Cost</b>			
At 1 April 2015	1,086	126	1,212
Additions	-	22	22
Write off	-	(1)	(1)
At 31 March 2016	1,086	147	1,233
<b>Accumulated depreciation</b>			
At 1 April 2015	599	117	716
Depreciation charge for the year (Note 25)	121	10	131
Write off	-	(1)	(1)
At 31 March 2016	720	126	846
<b>Net carrying amount</b>			
At 31 March 2016	366	21	387
<b>At 31 March 2015</b>			
<b>Cost</b>			
At 1 April 2014	1,081	222	1,303
Additions	609	-	609
Disposal	(604)	-	(604)
Write off	-	(96)	(96)
At 31 March 2015	1,086	126	1,212
<b>Accumulated depreciation</b>			
At 1 April 2014	1,081	191	1,272
Depreciation charge for the year (Note 25)	122	22	144
Disposal	(604)	-	(604)
Write off	-	(96)	(96)
At 31 March 2015	599	117	716
<b>Net carrying amount</b>			
At 31 March 2015	487	9	496

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**3. Property, plant and equipment (cont'd.)**
**(a) Long term leasehold land and building of the Group, stated at valuation**

The long term leasehold land and building of the Group were revalued in 1992 based on professional valuations conducted on the basis of open market value.

The property has not been revalued since it was first revalued in 1992. The directors have not adopted a policy of regular valuations of such assets. As permitted under the transitional provisions of International Accounting Standards (IAS) No. 16 (Revised): *Property, Plant and Equipment* adopted by the Malaysian Accounting Standards Board, the property is stated at its 1992 valuation as its surrogate cost less accumulated depreciation and impairment losses.

Had the revalued long term leasehold building been carried at historical cost less accumulated depreciation, the net carrying amount as at 31 March 2016 would have been RM207,000 (2015: RM219,000).

**(b) Long term leasehold land and building of the Group, stated at cost**

Certain long term leasehold land and building of the Group with a carrying value of RM3,874,000 (2015: RM3,919,000) has been charged to a financial institution as securities for the revolving credit facilities granted to the Group as disclosed in Note 17(c).

**(c) Fully depreciated assets**

Included in property, plant and equipment of the Group and of the Company are the costs of fully depreciated assets which are still in use as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Motor vehicles	2,873	1,770	476	476
Office furniture and equipment	728	771	114	99
Renovation	510	510	-	-
	<u>4,111</u>	<u>3,051</u>	<u>590</u>	<u>575</u>

**(d) Assets held under hire purchase arrangements**

During the current financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM3,964,000 (2015: RM5,882,000) and RM22,000 (2015: RM609,000), respectively, of which assets costing RM310,000 (2015: RM1,410,000) and RM Nil (2015: RM548,000) of the Group and the Company respectively, were acquired by means of hire purchase arrangements.

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**3. Property, plant and equipment (cont'd.)**

**(d) Assets held under hire purchase arrangements (cont'd.)**

Leased assets are pledged as security for the related lease liabilities (Note 17(d)). Net carrying amounts of property, plant and equipment held under hire purchase arrangements are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Motor vehicles	1,306	1,530	366	488

**4. Land held for property development and property development costs**

**(a) Land held for property development**

	Group	
	2016	2015
	RM'000	RM'000
<b>Long term leasehold land</b>		
<b>Cost and carrying amount</b>		
At beginning of year	54,068	54,068
Incidental cost to the land	305	-
At end of year	54,373	54,068

Long term leasehold land of the Group with a carrying value of RM54,373,000 (2015: RM54,068,000) has been charged to a financial institution as securities for revolving credit granted to the Group as disclosed in Note 17(c).

**(b) Property development costs**

	Group	
	2016	2015
	RM'000	RM'000
<b>Cumulative property development costs</b>		
At 1 April 2015/2014:		
Freehold land	61,237	72,602
Long term leasehold land	56,362	85,277
Development costs	271,763	367,194
	389,362	525,073

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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**4. Land held for property development and property development costs (cont'd.)**

**(b) Property development costs (cont'd.)**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cumulative property development costs (cont'd.)</b>		
Costs incurred during the year:		
Freehold land	-	193
Long term leasehold land	23,735	2,139
Development costs	89,050	135,940
	<u>112,785</u>	<u>138,272</u>
Transfers:		
To investment properties (Note 5)	-	(67,784)
To inventories of completed properties (Note 11)	(29,443)	(17,093)
	<u>(29,443)</u>	<u>(84,877)</u>
Reversal of completed projects:		
Freehold land	-	(9,883)
Long term leasehold land	(28,339)	(21,792)
Development costs	(188,789)	(157,431)
	<u>(217,128)</u>	<u>(189,106)</u>
At 31 March 2016/2015	<u>255,576</u>	<u>389,362</u>
<b>Cumulative costs recognised in profit or loss</b>		
At 1 April 2015/2014	(291,247)	(310,735)
Recognised during the year (Note 20)	(90,464)	(169,618)
Reversal of completed projects	217,128	189,106
At 31 March 2016/2015	<u>(164,583)</u>	<u>(291,247)</u>
<b>Property development costs at 31 March 2016/2015</b>	<u>90,993</u>	<u>98,115</u>

Included in property development costs incurred during the financial year are interest costs capitalised amounting to RM1,955,000 (2015: RM2,324,000) (Note 24).

Included in property development costs of the Group are freehold and leasehold land and development costs amounting to RM37,560,000 (2015: RM29,148,000) which have been charged to financial institutions as securities for the term loan, Islamic financing and revolving credit as disclosed in Note 17(a), (b) and (c).

## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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## 5. Investment properties

Fair value/cost	Freehold land RM'000	Leasehold land RM'000	Leasehold land and building RM'000	Investment properties under construction RM'000	Total RM'000
<b>At 31 March 2016</b>					
At 1 April 2015	63,700	71,299	998,137	-	1,133,136
Transfer from property plant and equipment (Note 3)	-	-	26,226	-	26,226
Government grant received (Note 21)	-	-	(15,251)	-	(15,251)
Net gain/(loss) from fair value adjustments recognised in profit or loss	15,900	(2,000)	89,215	-	103,115
At 31 March 2016	79,600	69,299	1,098,327	-	1,247,226
<b>At 31 March 2015</b>					
At 1 April 2014	-	68,999	1,411	336,496	406,906
Additions	20,900	-	-	118,187	139,087
Reclassification	-	-	454,683	(454,683)	-
Transfer from property development costs (Note 4(b))	-	-	67,784	-	67,784
Net gain from fair value adjustments recognised in profit or loss (Note 21)	42,800	2,300	474,259	-	519,359
At 31 March 2015	63,700	71,299	998,137	-	1,133,136

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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**5. Investment properties (cont'd.)**

Investment properties are stated at fair value, which has been determined based on valuations at the reporting date. Fair values were determined using the comparison method considering recent market transactions for similar properties in the same location as well as the investment method that makes reference to estimated market rental values and equivalent yields. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued.

Fair values using the comparison method were based on level 2 of the fair value hierarchy: other techniques for which the lowest level inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly. On the other hand, fair values using the investment method were based on level 3 of the fair value hierarchy: other techniques for which the lowest level inputs that have a significant effect on the recorded fair value are unobservable.

**Reconciliation of fair value:**

	<b>Investment properties</b>	
	<b>Land and office properties</b>	<b>Land and retail properties</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 April 2014</b>	70,410	-
Additions	20,900	-
Transfer from investment properties under construction	-	454,683
Transfer from property development costs	-	67,784
Remeasurement recognised in profit or loss	45,220	474,139
<b>As at 31 March 2015</b>	<b>136,530</b>	<b>996,606</b>
Transfer from property, plant and equipment	-	26,226
Government grant received	-	(15,251)
Remeasurement recognised in profit or loss	13,960	89,155
<b>As at 31 March 2016</b>	<b>150,490</b>	<b>1,096,736</b>

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

<b>Valuation technique</b>	<b>Significant observable inputs</b>	<b>Property</b>
Investment method	Investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.	Land/ retail

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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**5. Investment properties (cont'd.)**

Description of valuation techniques used and key inputs to valuation on investment properties: (cont'd.)

Valuation technique	Significant observable inputs	Property
Comparison method	Comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, shape and terrain of land, tenurial interest and restrictions if any, occupancy status, built-up area building construction, finishes and services, age and condition of building and other relevant characteristics.	Land/ office

Interest expense capitalised in investment properties under construction was RM Nil (2015: RM13,712,000) (Note 24).

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

	2016 RM'000	2015 RM'000
Rental income (Note 19):		
- Land and office properties	1,250	1,200
- Land and retail properties	29,497	184
Other income	961	-
Direct operating expenses (Note 25)	(14,675)	(106)
Profit arising from investment properties	17,033	1,278

Included in investment properties is certain long term leasehold land of the Group amounting to approximately RM45,000,000 (2015: RM43,000,000) which has been leased to a third party under an operating lease agreement, as disclosed in Note 29.

Certain freehold and long term leasehold land and investment properties of the Group with carrying value of RM1,134,700,000 (2015: RM1,103,306,000) have been charged to financial institutions as securities for credit facilities granted to the Group, as disclosed in Note 17(a) and (b).

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.

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**6. Intangible asset**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>		
At 1 April/31 March 2015/2014	23,942	23,942
<b>Accumulated impairment</b>		
At 1 April 2015/2014	(9,146)	(6,667)
Impairment loss recognised in profit or loss (Note 25)	(692)	(2,479)
At 31 March 2016/2015	(9,838)	(9,146)
<b>Net carrying amount</b>		
At 31 March 2016/2015	14,104	14,796

**(i) Allocation of goodwill**

Goodwill arising from business combinations has been allocated to two cash-generating units ("CGUs") for impairment testing, namely property development and property investment.

The carrying amounts of goodwill allocated to each CGU are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property development</b>		
At 1 April 2015/2014	1,520	3,999
Impairment loss recognised in profit or loss (Note 25)	(692)	(2,479)
At 31 March 2016/2015	828	1,520
<b>Property investment</b>		
At 1 April/ 31 March 2016/2015	13,276	13,276
Total goodwill	14,104	14,796

**(ii) Impairment testing of goodwill**

The recoverable amount of the property development CGU has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering five-year periods. The property development's CGU used in the five-year cash flow projections is based on the expected sales and contracted costs throughout the duration of development project and using the stage of completion method as described in the property development cost Note 2.4(h)(ii).

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**6. Intangible asset (cont'd.)**

**(ii) Impairment testing of goodwill (cont'd.)**

The recoverable amount of the property investment CGU has been determined by registered independent appraisers having an appropriate recognised professional qualification and recent experience in the category of the properties being valued. Fair values were determined by making reference to estimated market rental values and equivalent yields.

**7. Investments in subsidiaries**

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	575,700	575,200
Accumulated impairment losses	(120,842)	(125,996)
	<u>454,858</u>	<u>449,204</u>

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows:

Name of Subsidiaries	Paid up share capital RM'000	Proportion of ownership interest		Principal activities
		2016 %	2015 %	
Held by the Company				
Climate Engineering (Malaya) Sdn. Bhd.	50,000	100	100	Investment holding (dormant)
AGB Properties Sdn. Bhd.	1,000	100	100	Investment holding and renting out of offices & retail properties
Pinus Park Sdn. Bhd.	680	100	100	Renting out of bungalow (dormant)
BH Builders Sdn. Bhd.	110,000	100	100	Investment holding, property investment and development and renting out retail properties
Primadana Utama Sdn. Bhd.	2,500	100	100	Investment holding, property investment and development

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

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows (cont'd):

Name of Subsidiaries	Paid up share capital RM'000	Proportion of ownership interest		Principal activities
		2016 %	2015 %	
Held by the Company				
Prousaha (M) Sdn. Bhd.	5,000	90	90	Property investment and development
Syarikat Kapasi Sdn. Bhd.	178,000	100	100	Property investment and development and carpark operation
Changkat Fajar Sdn. Bhd.	1,000	100	100	Property investment and development
Quality Trend Sdn. Bhd.	244	100	100	Property investment and development (dormant)
Asian Pac Property Management Sdn. Bhd.	500	100	100	Property management
Asian Pac Parksafe Sdn. Bhd.	500,000	100	-	Car park operation
Held through subsidiaries:				
BH Realty Sdn. Bhd.	3,100	100	100	Property investment and development and car park operation
Wangsa Masyhur Sdn. Bhd.	30,000	100	100	Property investment and development (dormant)
Tekad Intisari Sdn. Bhd.	*	75	75	Property development (dormant)
Taman Bestari Sdn. Bhd.	750	100	100	Property development

\* Represents paid-up share capital of RM100

All subsidiary companies are being audited by Ernst & Young, Malaysia.

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**7. Investments in subsidiaries (cont'd.)**

**Significant events**

On 7 December 2015, the Company entered into a share sale agreement to acquire the remaining 500,000 ordinary shares of RM1.00 each in Prousaha (M) Sdn. Bhd. ("PMSB") for a total consideration of RM12,000,000. The Company will have 100% ownership in PMSB upon completion of the sale which is subject to conditions precedent as stipulated in the share sale agreement. The sale is expected to be completed in the subsequent financial year.

On 18 December 2015, the Company incorporated a new subsidiary company, Asian Pac Parksafe Sdn. Bhd. for the purpose of managing the Group's car park operations business.

During the financial year, the Company recognised a reversal of impairment losses of RM10,920,000 (2015: RM52,355,000) (Note 21) and additional impairment losses of RM5,766,000 (2015: RM Nil) (Note 25) on its investments in certain subsidiaries.

Management determined the recoverable amount of these investments based on the individual asset's value in use. The net present value of the future cash flows to be generated from these assets is the asset's value in use and it is assumed to be the same as net worth of the assets as at the reporting date. An impairment loss is recognised immediately in profit or loss if the recoverable amount is less than the carrying amount.

**(a) Summarised financial information on subsidiaries with non-controlling interests**

Summarised financial information of Prousaha (M) Sdn. Bhd. and Tekad Intisari Sdn. Bhd. which have non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination.

	<b>Prousaha (M) Sdn. Bhd. RM'000</b>	<b>Tekad Intisari Sdn. Bhd. RM'000</b>	<b>Total RM'000</b>
<b>At 31 March 2016</b>			
NCI percentage of ownership interest and voting interest	10.00%	25.00%	
Carrying amount of NCI	354	(121)	233
Loss attributable to NCI	(22)	(1)	(23)
<b>At 31 March 2015</b>			
NCI percentage of ownership interest and voting interest	10.00%	25.00%	
Carrying amount of NCI	376	(120)	256
Loss attributable to NCI	(11)	(1)	(12)

## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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## 7. Investment in subsidiaries (cont'd.)

	Prousaha (M) Sdn. Bhd.		Tekad Intisari Sdn. Bhd.		Total	
	2016	2015	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	2	3	-	-	2	3
Non-current assets						
Current assets	21,882	24,305	36	40	21,918	24,345
Total assets	21,884	24,308	36	40	21,920	24,348
Non-current liabilities	8,771	4,770	-	-	8,771	4,770
Current liabilities	9,565	15,772	610	610	10,175	16,382
Total liabilities	18,336	20,542	610	610	18,946	21,152
Net assets/(liabilities)	3,548	3,766	(574)	(570)	2,974	3,196
Equity attributable to owners of the parent	3,194	3,390	(453)	(450)	2,741	2,940
Non-controlling interests	354	376	(121)	(120)	233	256
	3,548	3,766	(574)	(570)	2,974	3,196

## (i) Summarised statement of financial position

## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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## 7. Investment in subsidiaries (cont'd.)

	Prousaha (M) Sdn. Bhd.		Tekad Intisari Sdn. Bhd.		Total	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(ii) Summarised statement of profit or loss						
Loss for the year	(217)	(109)	(4)	(4)	(221)	(113)
Loss attributable to owners of the parent	(195)	(98)	(3)	(3)	(198)	(101)
Loss attributable to non-controlling interest	(22)	(11)	(1)	(1)	(23)	(12)
(iii) Summarised statement of cash flows						
Net cash generated from/(used in) operating activities	174	15	(4)	(7)	170	8
Net cash used in financing activities	-	(3)	-	-	-	(3)
Net increase/(decrease) in cash and cash equivalents	174	12	(4)	(7)	170	5
Cash and cash equivalents at 1 April	15	3	40	47	55	50
Cash and cash equivalents at 31 March	189	15	36	40	225	55

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
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**8. Investment in an associate**

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares outside Malaysia	375	375
Less: Accumulated impairment losses	(375)	(375)
	<u>-</u>	<u>-</u>

The Group has not recognised losses relating to the associate where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the reporting date was RM451,000 (2015: RM451,000). The Group has no obligation in respect of these losses.

Details of the associate, which is incorporated in Indonesia are as follows:

<b>Name of associate</b>	<b>Paid-up share capital RM'000</b>	<b>Proportion of ownership interest</b>		<b>Principal activities</b>
		<b>2016</b>	<b>2015</b>	
		<b>%</b>	<b>%</b>	
PT AP International *	750	50	50	Property development and property management

\* Audited by a firm other than Ernst & Young

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

<b>PT AP International</b>	
<b>2016</b>	<b>2015</b>
<b>RM'000</b>	<b>RM'000</b>

**(i) Summarised statement of financial position**

Current assets representing total assets	<u>8</u>	<u>8</u>
Current liabilities representing total liabilities	<u>910</u>	<u>910</u>
Net liabilities attributable to owners of associate	<u>(902)</u>	<u>(902)</u>

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**8. Investment in an associate (cont'd.)**

	PT AP International	
	2016	2015
	RM'000	RM'000
<b>(ii) Summarised statement of profit or loss</b>		
Loss for the year	-	(302)
<b>(iii) Reconciliation of net liabilities to the carrying amount of Group's interest in the associate</b>		
Group's share of net liabilities	(451)	(451)
Unrecognised losses	451	451
Carrying amount of Group's interest in associate	-	-
<b>(iv) Group's share of results of associate</b>	-	(151)

**9. Available-for-sale investments**

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<i>Available-for-sale financial assets</i>				
Non-current				
Quoted shares in Malaysia	3,849	4,535	1,194	1,354
Quoted shares outside Malaysia	18	20	18	20
	<u>3,867</u>	<u>4,555</u>	<u>1,212</u>	<u>1,374</u>

Unrealised (loss)/gain on fair valuation on available-for-sale investments amounting to (RM324,000) (2015: RM166,000) and (RM43,000) (2015: RM44,000) of the Group and of the Company were taken to other comprehensive income.

Dividend income amounting to RM10,000 (2015: RM6,000) (Note 19) was taken to profit or loss.

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**10. Deferred tax**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 April 2015/2014	(190,011)	(50,962)	10	2
Recognised in profit or loss (Note 26)	(7,735)	(139,049)	(12)	8
At 31 March 2016/2015	<u>(197,746)</u>	<u>(190,011)</u>	<u>(2)</u>	<u>10</u>
Presented after appropriate offsetting as follows:				
- Deferred tax assets	1,223	2,495	-	15
- Deferred tax liabilities	<u>(198,969)</u>	<u>(192,506)</u>	<u>(2)</u>	<u>(5)</u>
	<u>(197,746)</u>	<u>(190,011)</u>	<u>(2)</u>	<u>10</u>

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

<b>Group</b>	<b>Revaluation of land held for property development, investment properties and capital allowances</b>	<b>Provisions and unused tax losses</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Deferred tax assets:</b>			
At 1 April 2015	-	2,571	2,571
Recognised in profit or loss	-	(1,313)	(1,313)
At 31 March 2016	-	<u>1,258</u>	<u>1,258</u>
At 1 April 2014	-	2,136	2,136
Recognised in profit or loss	-	435	435
At 31 March 2015	-	<u>2,571</u>	<u>2,571</u>
<b>Deferred tax liabilities:</b>			
At 1 April 2015	(192,582)	-	(192,582)
Recognised in profit or loss	(6,422)	-	(6,422)
At 31 March 2016	<u>(199,004)</u>	-	<u>(199,004)</u>
At 1 April 2014	(53,098)	-	(53,098)
Recognised in profit or loss	(139,484)	-	(139,484)
At 31 March 2015	<u>(192,582)</u>	-	<u>(192,582)</u>

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**10. Deferred tax (cont'd.)**

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

	Provisions	
	2016 RM'000	2015 RM'000
<b>Company</b>		
<b>Deferred tax assets:</b>		
As at 1 April 2015/2014	15	9
Recognised in profit or loss	(10)	6
As at 31 March 2016/2015	5	15

	Capital allowance	
	2016 RM'000	2015 RM'000
<b>Company</b>		
<b>Deferred tax liabilities:</b>		
As at 1 April 2015/2014	(5)	(7)
Recognised in profit or loss	(2)	2
As at 31 March 2016/2015	(7)	(5)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unused tax losses	27,703	8,191	6,370	5,674
Unabsorbed capital allowances	753	194	62	37
	28,456	8,385	6,432	5,711

The unused tax losses of the Group and the Company are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the Malaysian taxation authority.

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and such items have arisen in subsidiaries that have a history of losses.

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**11. Inventories of completed properties**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 April 2015/2014	23,783	6,690
Transfer from property development costs (Note 4(b))	29,443	17,093
Recognised as cost of sales (Note 20)	(5,554)	-
As at 1 April 2016/2015	<u>47,672</u>	<u>23,783</u>

Certain completed property with carrying value of RM3,218,000 (2015: RM3,218,000) has been charged to financial institution as security for credit facility granted to the Group, as disclosed in Note 17(c).

**12. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>				
<b>Trade receivables</b>	<u>28,728</u>	<u>21,938</u>	<u>4,483</u>	<u>-</u>
<b>Other receivables</b>				
Due from previous stockbroking clients	6,687	8,225	-	-
Sundry receivables	15,586	22,124	925	600
Deposit - Earnest deposit	10,000	-	10,000	-
Other deposits	3,061	2,871	6	8
GST input recoverable	479	-	-	-
Due from associate	1,004	1,004	1,004	1,004
Due from subsidiaries	-	-	20,916	11,582
	<u>36,817</u>	<u>34,224</u>	<u>32,851</u>	<u>13,194</u>
Less: Allowance for impairment	<u>(7,722)</u>	<u>(7,251)</u>	<u>(1,443)</u>	<u>(1,443)</u>
	<u>29,095</u>	<u>26,973</u>	<u>31,408</u>	<u>11,751</u>
<b>Total trade and other receivables</b>	<b>57,823</b>	<b>48,911</b>	<b>35,891</b>	<b>11,751</b>
Add: Deposits with licensed banks with maturity of more than 3 months (Note 14)	13,682	13,306	-	-
Add: Cash and cash equivalents (Note 14)	55,932	71,883	5,161	31,877
<b>Total loans and receivables</b>	<u>127,437</u>	<u>134,100</u>	<u>41,052</u>	<u>43,628</u>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**12. Trade and other receivables (cont'd.)**
**(a) Trade receivables**

The Group's and the Company's normal trade credit terms range from 7 to 60 days (2015: 7 to 60 days) and 60 days (2015: 60 days) respectively. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or a group of debtors.

**Ageing analysis of trade receivables**

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

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	16,348	9,212
1 to 30 days past due not impaired	2,453	1,848
31 to 60 days past due not impaired	4,960	6,196
61 to 90 days past due not impaired	1,146	422
More than 91 days past due not impaired	3,821	4,260
	<u>12,380</u>	<u>12,726</u>
	<u>28,728</u>	<u>21,938</u>

The total trade receivables are unsecured in nature.

**Receivables that are neither past due nor impaired**

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

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

**Receivables that are past due but not impaired**

The Group has trade receivables amounting to RM12,380,000 (2015: RM12,726,000) that are past due at the reporting date but not impaired and are unsecured in nature.

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**12. Trade and other receivables (cont'd.)**

**(b) Other receivables**

Other receivables that are impaired

At the reporting date, the Group has provided an allowance of RM6,234,000 (2015: RM6,179,000) for impairment on the amount due from previous stockbroking clients and RM1,488,000 (2015: RM1,072,000) for impairment on sundry receivables and amount due from associate. The Company has provided an allowance of RM1,004,000 (2015: RM1,004,000) for impairment on amount due from associate and RM439,000 (2015: RM439,000) for impairment on the amount due from a subsidiary.

The amounts due from previous stockbroking clients represent amounts receivable from margin clients and non-margin clients prior to the disposal of the Group's stockbroking business in prior years and are partly collateralised by quoted shares.

Sundry receivables are unsecured, non-interest bearing and repayable on demand.

Movements in allowance accounts

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 April 2015/2014	(7,251)	(7,158)	(1,443)	(1,207)
Bad debts recovered (Note 21)	58	60	-	-
Impairment losses (Note 25)	(529)	(236)	-	(236)
Reversal of impairment loss (Note 21)	-	83	-	-
At 31 March 2016/2015	<u>(7,722)</u>	<u>(7,251)</u>	<u>(1,443)</u>	<u>(1,443)</u>

**(c) Due from subsidiaries and an associate**

The amounts due from subsidiaries and an associate are non-trade in nature. These amounts are unsecured, non-interest bearing and are repayable on demand.

The amount due from an associate is provided for in full.

**13. Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are cash funds placed in an asset management company.

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**14. Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash at banks and on hand	40,741	37,248	146	54
Short term deposits with:				
Licensed banks	13,239	12,376	-	-
Financial institutions	15,634	35,565	5,015	31,823
Total cash and bank balances	69,614	85,189	5,161	31,877
Less: Deposits with licensed banks and financial institutions with maturity of more than 3 months	(13,682)	(13,306)	-	-
Cash and cash equivalents	55,932	71,883	5,161	31,877

Included in cash at banks of the Group are amounts of RM25,250,000 (2015: RM18,581,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Included in cash at banks of the Group is an amount of RM30,783,000 (2015: RM28,302,000) pledged to financial institutions for credit facilities granted to a number of subsidiaries as disclosed in Note 17(b) and (c).

Short term deposits with licensed banks of the Group amounting to RM11,288,000 (2015: RM10,349,000) are pledged to licensed banks for credit facilities granted to the Company and a subsidiary as disclosed in Note 17(c) and performance guarantees given to third parties.

The weighted average effective interest rates of short term deposits at the reporting date are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Licensed banks	3.16	3.01	-	-
Financial institutions	3.35	3.30	3.34	3.35

The average maturities of short term deposits as at the end of the financial year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Days</b>	<b>Days</b>	<b>Days</b>	<b>Days</b>
Licensed banks	99	85	-	-
Financial institutions	17	20	15	19

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**15. Share capital**

Group and Company:	Number of ordinary shares of RM0.20 each		Amount	
	2016 '000	2015 '000	2016 RM'000	2015 RM'000
<b>Authorised:</b>				
At beginning/end of year	<u>7,500,000</u>	<u>7,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
<b>Issued and fully paid:</b>				
At 1 April 2015/2014, at par value of RM0.20 each	991,026	975,315	198,205	195,063
Issued during the year:				
Share options exercised under ESOS	<u>1,538</u>	<u>15,711</u>	<u>308</u>	<u>3,142</u>
At 31 March 2016/2015, at par value of RM0.20 each	<u>992,564</u>	<u>991,026</u>	<u>198,513</u>	<u>198,205</u>

The holders of ordinary 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 regards to the Company residual assets.

**Employee Share Option Scheme**

The Asian Pac Holdings Berhad's Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 31 October 2005. The ESOS was granted on 31 May 2006 and is to be in force for a period of five (5) years from the date of implementation. The ESOS granted in prior years expired on 30 May 2011. The tenure of the ESOS was extended for another 5 years to 12 April 2016.

The salient features of the ESOS are as follows:

- (i) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company.
- (ii) Subject to the discretion of the ESOS Committee, any employee whose employment has been confirmed and any directors of the Group, shall be eligible to participate in the ESOS.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**15. Share capital (cont'd.)**
**Employee Share Option Scheme (cont'd.)**

- (iii) The total number of ordinary shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.
- (iv) The option price for each share shall be the price as determined by the ESOS Committee which is at a discount of not more than ten per cent (10%) or such maximum discount as may be permitted by the relevant regulatory authorities from the weighted average market price of the new ordinary shares for the five (5) market days preceding the date on which the option is granted, or the par value of the new ordinary shares of the Company of RM0.20 each, whichever is higher. The option price is payable only in cash.
- (v) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of grant throughout the period of five (5) years from 31 May 2006. The employees' entitlements to the options are vested as soon as they become exercisable.
- (vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.
- (vii) The persons to whom the options have been granted have no right to participate by virtue of the options, in any share issue of any other company.

In the previous financial year, the Company has granted ESOS twice to eligible employees of the Group as follows:

- (a) On 19 March 2014, the Company granted 53,740,000 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company. At the closing date of 18 April 2014, 52,075,000 ESOS granted were accepted by employees of the Group.
- (b) On 21 October 2014, the Company granted 7,657,500 ESOS to eligible employees of the Group to subscribe for new ordinary shares of RM0.20 each in the Company. At the closing date of 20 November 2014, 7,300,000 ESOS granted were accepted by employees of the Group.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

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**15. Share capital (cont'd.)**

**Employee Share Option Scheme (cont'd.)**

- (c) The fair value of share options granted during the previous financial year was estimated by an external valuer using the Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows:

Fair value of share options granted on 19 March 2014:

	<b>2014</b>
Fair value of share options at grant date, 19 March 2014 (RM)	0.078
Weighted average share price (RM)	0.201
Expected volatility (%)	64.603%
Expected life (years)	2.0690
Risk free rate (%)	4.061%

Fair value of share options granted on 21 October 2014:

	<b>2015</b>
Fair value of share options at grant date, 21 October 2014 (RM)	0.084
Weighted average share price (RM)	0.243
Expected volatility (%)	60.712%
Expected life (years)	1.4767
Risk free rate (%)	3.781%

The expected life of the options are not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

**16. Other reserves**

		<b>Group</b>		<b>Company</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
ESOS option reserve	(a)	3,291	3,411	3,291	3,411
Merger reserve	(b)	-	-	78,000	78,000
Fair value adjustment reserve	(c)	43	367	9	52
		<u>3,334</u>	<u>3,778</u>	<u>81,300</u>	<u>81,463</u>

Movements in reserves are shown in the respective statements of changes in equity.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
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**16. Other reserves (cont'd.)**

The nature and purpose of each category of reserve are as follows:

**(a) ESOS option reserve**

ESOS option reserve represents the equity-settled share options granted to the employees.

**(b) Merger reserve**

The premium on shares issued in respect of the acquisition of BH Builders Sdn. Bhd. in the financial year ended 31 March 1996 had been credited to the merger reserve in accordance with the relief granted by Section 60(4) of the Companies Act, 1965 in Malaysia.

**(c) Fair value adjustment reserve**

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

**17. Loans and borrowings**

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Current</b>					
Secured:					
Floating rate term loans	(a)	2,679	10,144	-	-
Islamic financing	(b)	25,730	63,200	-	-
Revolving credit	(c)	88,000	54,000	50,000	50,000
Obligation under finance leases	(d)	419	520	108	105
		<u>116,828</u>	<u>127,864</u>	<u>50,108</u>	<u>50,105</u>
<b>Non-current</b>					
Secured:					
Floating rate term loans	(a)	17,243	12,936	-	-
Islamic financing	(b)	246,000	234,442	-	-
Obligation under finance leases	(d)	990	1,112	266	374
		<u>264,233</u>	<u>248,490</u>	<u>266</u>	<u>374</u>
<b>Total loans and borrowings</b>		<b>381,061</b>	<b>376,354</b>	<b>50,374</b>	<b>50,479</b>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
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**17. Loans and borrowings (cont'd.)**

The remaining maturities of the loans and borrowings are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
On demand and within 1 year	116,828	127,864	50,108	50,105
More than 1 year and less than 2 years	86,626	61,647	112	108
More than 2 years and less than 5 years	109,634	88,912	154	266
More than 5 years	67,973	97,931	-	-
	<u>381,061</u>	<u>376,354</u>	<u>50,374</u>	<u>50,479</u>

- (a) The floating rate term loans are obtained for development projects and investment properties of the Company's wholly-owned subsidiary companies, Prousa (M) Sdn. Bhd. and AGB Properties Sdn. Bhd. respectively. These term loans bear an average interest rate of 5.35% to 6.37% (2015: 5.27% to 6.27%) per annum. These are secured by charges over the Group's freehold property as well as development costs as disclosed in Note 4(b), certain leasehold properties (Note 5), and corporate guarantee provided by the holding company amounting to RM19,922,000 (2015: RM23,080,000).
- (b) Islamic financing is obtained for refinancing of the investment properties of wholly-owned subsidiary, Syarikat Kapasi Sdn. Bhd., working capital of a wholly-owned subsidiary, BH Realty Sdn. Bhd., for financing of acquisition of investment properties by wholly-owned subsidiary, BH Builders Sdn. Bhd. and for development project of Taman Bestari Sdn. Bhd. It bears an average interest rate of 5.31% to 7.1% (2015: 4.78% to 7.1%) per annum. It is secured by charges over the Group's leasehold property as well as the development costs as disclosed in Note 4(b), freehold and leasehold properties as disclosed in Note 5, certain bank balances (Note 14), lease proceeds from an operating lease (Note 29) and corporate guarantee provided by the holding company amounting to RM278,772,000 (2015: RM297,642,000).
- (c) Revolving credits are obtained for the working capital of the Company and the Company's wholly-owned subsidiary companies, BH Realty Sdn. Bhd. and Syarikat Kapasi Sdn. Bhd. The revolving credits bear an average interest rate of 5.8% to 7.85% (2015: 5.48% to 7.79%) per annum. These are secured by charges over the Group's long term leasehold land and building as disclosed in Note 3(b), long term leasehold land held for property development and leasehold property as well as development costs as disclosed in Note 4(a) and (b), certain inventory of completed property (Note 11), certain short term deposits and cash balances (Note 14) and corporate guarantee provided by the holding company amounting to RM38,000,000 (2015: RM4,000,000).

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
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**17. Loans and borrowings (cont'd.)**

(d)	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Future minimum lease payments:</b>				
Within and up to 1 year	470	576	118	118
After 1 and up to 2 years	418	404	118	118
After 2 and up to 5 years	629	781	157	274
	<u>1,517</u>	<u>1,761</u>	<u>393</u>	<u>510</u>
Less: Future finance charges	(108)	(129)	(19)	(31)
Present value of future minimum lease payments	<u>1,409</u>	<u>1,632</u>	<u>374</u>	<u>479</u>
<b>Present value of finance lease liabilities:</b>				
Within and up to 1 year	419	520	108	105
After 1 and up to 2 years	385	367	112	108
After 2 and up to 5 years	605	745	154	266
Present value of finance lease liabilities	<u>1,409</u>	<u>1,632</u>	<u>374</u>	<u>479</u>
<b>Analysed as:</b>				
Due within 12 months	419	520	108	105
Due after 12 months	990	1,112	266	374
	<u>1,409</u>	<u>1,632</u>	<u>374</u>	<u>479</u>

The hire purchase payables bear interest between 1.51% to 3.25% (2015: 2.32% to 3.25%) per annum.

These obligations are secured by a charge over the leased assets (Note 3(d)).

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
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**18. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>				
<b>Trade payables</b>				
Third parties	119,492	138,772	1,895	-
<b>Other payables</b>				
Deposits from property purchasers	4,578	9,217	-	-
Deposits from tenants	2,218	10,758	-	-
Other deposits	1,622	1,323	-	-
Interest payables	2,021	3,245	783	742
Accruals	18,707	1,939	131	134
Amount due to shareholder	2,000	-	-	-
Amounts due to subsidiaries	-	-	26,689	26,050
Others	8,246	9,632	107	44
	<u>39,392</u>	<u>36,114</u>	<u>27,710</u>	<u>26,970</u>
	<u>158,884</u>	<u>174,886</u>	<u>29,605</u>	<u>26,970</u>
<b>Non-current</b>				
<b>Trade payables</b>				
Retention sum payable	13,675	13,142	-	-
<b>Other payables</b>				
Deposits from tenants	9,411	-	-	-
	<u>23,086</u>	<u>13,142</u>	<u>-</u>	<u>-</u>
Total trade and other payables	181,970	188,028	29,605	26,970
Add: Loans and borrowings (Note 17)	381,061	376,354	50,374	50,479
Total financial liabilities carried at amortised cost	<u>563,031</u>	<u>564,382</u>	<u>79,979</u>	<u>77,449</u>

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 to 60 days (2015: 30 to 60 days).

The amounts due to subsidiaries by the Company are non-trade in nature. These amounts are unsecured, non-interest bearing and are repayable on demand.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
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**19. Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sale of development properties	110,625	225,215	-	-
Sale of building materials	4,630	-	4,630	-
Sale of inventories of completed properties	6,086	-	-	-
Car park operations	2,427	3,244	-	-
Interest income	372	332	372	751
Rental income from:				
- Land and office properties	1,250	1,200	-	-
- Land and retail property	29,497	184	-	-
Dividend income from:				
- Subsidiaries	-	-	-	8,900
- Equity investment, quoted in Malaysia (Note 9)	10	6	-	-
Management fees from:				
Subsidiaries	-	-	1,851	1,647
Others	8	88	-	-
	<b>154,905</b>	<b>230,269</b>	<b>6,853</b>	<b>11,298</b>

**20. Cost of sales**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property development costs (Note 4(b))	90,464	169,618	-	-
Cost of building materials	3,561	-	3,561	-
Car park operations	831	1,139	-	-
Cost of inventories sold (Note 11)	5,554	-	-	-
Property management operation costs	16,129	-	-	-
Others	56	41	-	-
	<b>116,595</b>	<b>170,798</b>	<b>3,561</b>	<b>-</b>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
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**21. Other income**

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Administration charges	134	222	-	-
Bad debts recovered (Note 12(b))	58	60	-	-
Gain on changes in fair value of investment properties	107,115	519,359	-	-
Net gain on disposal of property, plant and equipment	-	154	-	80
Other interest income	1,379	2,399	-	-
Overdue interest income	1,014	493	-	-
Purchasers' deposit forfeited	326	532	-	-
Gain on fair value adjustments of financial assets at fair value through profit or loss	95	290	41	43
Rental income	58	37	-	-
Reversal of impairment loss on:				
- other receivables (Note 12(b))	-	83	-	-
- investment in subsidiaries (Note 7)	-	-	10,920	52,355
Unwinding of discount	1,438	285	-	-
Government grant received	15,129	-	-	-
Miscellaneous income	1,275	237	-	-
	<u>128,021</u>	<u>524,151</u>	<u>10,961</u>	<u>52,478</u>

During the financial year ended 31 March 2016, a subsidiary of the Group received a financial grant from the Government of Malaysia through the Public Private Partnership Unit of the Prime Minister's Department.

**22. Employee benefits expense**

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	13,567	11,756	2,145	1,948
Contributions to defined contribution plan	1,802	1,590	457	417
Social security contributions	73	62	2	2
Short term accumulating compensated absence	(81)	191	(42)	26
ESOS option cost	-	4,057	-	220
Other employee benefits	539	360	39	28
	<u>15,900</u>	<u>18,016</u>	<u>2,601</u>	<u>2,641</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
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**22. Employee benefits expense (cont'd.)**

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,294,000 (2015: RM3,346,000) and RM1,801,000 (2015: RM1,775,000) respectively as further disclosed in Note 23.

**23. Directors' remuneration**

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<b>Directors of the Company:</b>				
Executive directors' remuneration:				
Salaries and other emoluments	3,294	3,346	1,801	1,775
Non-executive directors' remuneration (Note 25):				
Fees and other emoluments	222	791	96	426
<b>Total directors' remuneration</b>	<b>3,516</b>	<b>4,137</b>	<b>1,897</b>	<b>2,201</b>

The details of the remuneration receivable by directors of the Group during the year are as follows:

	Salary and other emoluments	Fees	Bonus	Total
	RM'000	RM'000	RM'000	RM'000
<b>At 31 March 2016</b>				
<b>Executive</b>				
Dato' Mustapha bin Buang	1,449	-	352	1,801
Yu Tat Loong *	1,185	-	308	1,493
	<u>2,634</u>	<u>-</u>	<u>660</u>	<u>3,294</u>
<b>Non-executive</b>				
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas *	6	120	-	126
Dato' Mohamed Salleh bin Bajuri	-	48	-	48
Tan Siew Poh	-	48	-	48
	<u>6</u>	<u>216</u>	<u>-</u>	<u>222</u>
	<u>2,640</u>	<u>216</u>	<u>660</u>	<u>3,516</u>

\* The above director's remuneration was paid by subsidiary companies.

## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Asian Pac Holdings Berhad  
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## 23. Directors' remuneration (cont'd.)

	Salary and other emoluments RM'000	Fees RM'000	Bonus RM'000	ESOS RM'000	Total RM'000
<b>At 31 March 2015</b>					
<b>Executive</b>					
Dato' Mustapha bin Buang	1,323	-	320	132	1,775
Yu Tat Loong *	998	-	280	293	1,571
	<u>2,321</u>	<u>-</u>	<u>600</u>	<u>425</u>	<u>3,346</u>
<b>Non-executive</b>					
Tan Sri Dato' Seri Hj. Megat Najmuddin bin Datuk Seri Dr Hj. Megat Khas *	-	120	-	245	365
Dato' Mohamed Salleh bin Bajuri	-	48	-	167	215
Tan Siew Poh	-	48	-	163	211
	<u>-</u>	<u>216</u>	<u>-</u>	<u>575</u>	<u>791</u>
	<u>2,321</u>	<u>216</u>	<u>600</u>	<u>1,000</u>	<u>4,137</u>

\* The above director's remuneration was paid by subsidiary companies.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad**  
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**23. Directors' remuneration (cont'd.)**

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

	2016	2015
<b>Executive directors:</b>		
RM1,350,001 - RM1,550,000	1	-
RM1,550,001 - RM1,750,000	-	1
RM1,750,001 - RM1,950,000	1	1
<b>Non-executive directors:</b>		
Below RM50,000	2	-
RM100,001 - RM150,000	1	-
RM200,001 - RM250,000	-	2
RM350,001 - RM400,000	-	1

**24. Finance costs**

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Hire purchase	60	56	13	10
Bank borrowings	28,519	21,858	3,933	3,696
Loan from shareholder	62	315	-	315
Unwinding of deposit payable	524	-	-	-
	<u>29,165</u>	<u>22,229</u>	<u>3,946</u>	<u>4,021</u>
Less:				
Interest expense capitalised under:				
- Property development costs (Note 4(b))	(1,955)	(2,324)	-	-
- Investment properties (Note 5)	-	(13,712)	-	-
	<u>27,210</u>	<u>6,193</u>	<u>3,946</u>	<u>4,021</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
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**25. Profit before tax**

The following amounts have been included in arriving at profit before tax:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Employee benefits expense (Note 22)	15,900	18,016	2,601	2,641
Non-executive directors' remuneration (Note 23)	222	791	96	426
Auditors' remuneration				
- statutory audit	300	229	55	49
- other services	7	7	7	7
- under/(over)provision in prior year	4	16	(5)	3
Depreciation				
- property, plant and equipment (Note 3)	2,385	2,429	131	144
Property, plant and equipment written off (Note 3)	53	158	-	-
Impairment of:				
- quoted investments (Note 9)	364	-	119	-
- investment in subsidiaries (Note 7)	-	-	5,766	-
- intangible asset (Note 6)	692	2,479	-	-
- other receivables (Note 12(b))	529	236	-	236
Loss on disposal of property, plant and equipment	3	-	-	-
Loss on changes in fair value of investment properties	4,000	-	-	-
Provision for liquidated ascertained damages	1,315	4,869	-	-
Direct operating expenses attributable to income generating investment properties (Note 5)	14,675	106	-	-
Rental of land and buildings	1,106	1,126	-	-

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
**(Incorporated in Malaysia)**
**26. Income tax expense/(benefit)**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax:				
Current year tax expense	1,903	13,049	-	-
Underprovision in prior years	4,827	167	682	-
	<u>6,730</u>	<u>13,216</u>	<u>682</u>	<u>-</u>
Deferred tax (Note 10):				
Relating to origination and reversal of temporary differences	7,595	140,231	13	(9)
Effects of change in tax rate	-	(1,157)	-	-
Under/(over)provision in prior years	140	(25)	(1)	1
	<u>7,735</u>	<u>139,049</u>	<u>12</u>	<u>(8)</u>
Total income tax expense/(benefit)	<u>14,465</u>	<u>152,265</u>	<u>694</u>	<u>(8)</u>

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

The domestic statutory tax rate will be reduced to 24% in year of assessment 2016. The computation of deferred tax as at 31 March 2015 has reflected this change.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**26. Income tax expense/(benefit) (cont'd.)**

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2016 and 2015 are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax	88,076	528,844	929	53,141
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	21,138	132,211	223	13,285
Income not subject to tax	(25,338)	(123,890)	(2,710)	(15,532)
Effects of change in tax rate	-	(1,157)	-	-
Expenses not deductible for tax purposes	1,503	64	2,327	1,782
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(148)	(15)	-	-
Deferred tax liabilities recognised	7,433	144,352	-	-
Deferred tax assets not recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	4,965	547	173	456
Deferred tax assets recognised in respect of current year's unutilised tax losses and unabsorbed capital allowances	(55)	-	-	-
Tax on prepayment received	-	11	-	-
Underprovision of tax expense in prior years	4,827	167	682	-
Under/(over)provision of deferred tax in prior years	140	(25)	(1)	1
Tax expense/(benefit) for the year	14,465	152,265	694	(8)

Tax savings during the financial year arising from:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Utilisation of tax losses and capital allowances brought forward from previous years	148	15

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**27. Earnings per share**
**(a) Basic**

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
Profit net of tax, attributable to owners of the parent used in the computation of basic earnings per share (RM'000)	73,634	376,591
Weighted average number of ordinary shares in issue ('000)	992,408	985,792
Basic earnings per share attributable to ordinary equity holders of the Company (sen)	<u>7.4</u>	<u>38.2</u>

**(b) Diluted**

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the current financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	73,634	376,591
Weighted average number of ordinary shares in issue ('000)	992,408	985,792
Effects of dilution:		
Assumed exercise of share options granted under ESOS #	<u>1,988</u>	<u>12,325</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>994,396</u>	<u>998,117</u>
Diluted earnings per share (sen)	<u>7.4</u>	<u>37.8</u>

# The assumed exercise of ESOS at average market price for the current financial year is treated as an issue of ordinary shares for no consideration.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**28. Dividends**
**RM'000**

Recognised during the year:

**In respect of the financial year ended 31 March 2015:**

Special single tier dividend of RM0.003 per ordinary share on 992,563,966 ordinary shares, approved on 21 September 2015 and paid on 8 November 2015.

2,978

The directors do not recommend the payment of any dividend in respect of the current financial year.

**29. Operating lease commitments**
**(a) Group as lessor**

On 15 December 2004, the Group entered into a Lease Agreement ("the Agreement") with Magnificent Diagraph Sdn. Bhd. ("MDSB"), a company incorporated in Malaysia, for the lease of one long term leasehold land measuring approximately 6.265 acres as described in Note 5 to the financial statements.

Amongst the salient terms of the Agreement are as follows:

- (a) the Group agrees to lease the long term leasehold land to MDSB for a period of thirty (30) years commencing within one (1) month from the date at which all conditions precedent in the Agreement have been fulfilled ("the Commencement Date");
- (b) The lease is provided for the purpose of the erection and construction and subsequent use by MDSB thereon for a hypermarket facility;
- (c) MDSB shall pay to the Group an amount of RM474,846 as deposit;

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**29. Operating lease commitments (cont'd.)**

**(a) Group as lessor (cont'd.)**

Amongst the salient terms of the Agreement are as follows: (cont'd.)

- (d) The amount of rental payable by MDSB to the Group shall be calculated as follows:
- (i) RM0.145 per square foot per month during the construction period;
  - (ii) RM0.29 per square foot per month commencing from the day immediately following the expiry of the construction period to the expiry of a period of three (3) years commencing from the Commencement Date; and
  - (iii) Thereafter, at the end of every period of three (3) years each, the first of which shall commence from the Commencement Date, the rental shall be increased at the rate of seven per centum (7%) of the rental of the preceding three (3) years period.
- (e) Notwithstanding anything in the Agreement, MDSB shall be entitled to lawfully terminate the Agreement at any time prior to the expiry of three (3) years each, the first such three (3) years period to commence from the date of the Agreement, without compensation or liability to the Group and the Group shall refund MDSB the deposit as described in item (c) above.

On 8 November 2005, all conditions precedent in the Agreement were fulfilled.

The lease proceeds from operating lease have been charged to financial institution as securities for the facilities granted to the Group, as disclosed in Note 17(b).

In addition to the above, the Group has entered into commercial property leases on its investment properties and plant and equipment. These leases have remaining lease terms of between 1 to 3 years with renewal option included in the contracts.

Future minimum rentals receivable under non-cancellable operating leases that are between 1 to 3 years at the reporting date are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	36,320	28,480
Later than 1 year but not later than 3 years	40,066	59,625
	<u>76,386</u>	<u>88,105</u>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**29. Operating lease commitments (cont'd.)**
**(b) Group as lessee**

The Group has entered into commercial leases with third parties for the rental of office and residential premises. The leases have a tenure of 1 to 3 years with renewal option included in the contracts.

Minimum lease payments recognised in profit or loss for the financial year ended 31 March 2016 amounted to RM1,106,000 (2015: RM1,126,000) (Note 25).

Future minimum rentals payable at the reporting date are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	1,333	1,288
Later than 1 year but not later than 5 years	495	1,260
	<hr/>	<hr/>

**30. Capital commitment**

	<b>Group and Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
Acquisition of unquoted shares (Note 7)	2,000	-
	<hr/>	<hr/>

**31. Contingent liabilities**

Upon adoption of FRS 139, the financial guarantees provided to financiers for related companies are no longer disclosed as contingent liabilities but would instead be recorded as financial liabilities if considered likely to crystallise. The Group has assessed the financial guarantee contracts and concluded that the crystallisation of these guarantees is remote.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**32. Related party disclosures**

- (a) 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:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental paid/payable to a company with common director	587	319
Sales of exterior shops by a related company to other related companies	-	37,145
Rental guarantee by a related company to other related companies	3,540	-
Property management fee by a related company to other related companies	17,280	-
Carpark management fee by related companies to other related companies	927	-
Interest on amount due to shareholder	62	-
	<hr/>	<hr/>
	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest on amount due to shareholder	-	438
Loan interest charged to a subsidiary	-	419
Gross dividend income from subsidiaries	-	8,900
Management fees charged to subsidiaries	1,851	1,647
	<hr/>	<hr/>

The above transactions with related companies were transacted at terms and conditions which were mutually agreed between the parties concerned.

Related companies refer to companies within the Asian Pac Holdings Group.

- (b) Compensation by key management personnel

The Company defines key management personnel as its directors whose remunerations are detailed in Note 23.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**33. Fair value of financial instruments**

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 are as follows:

Group	2016		2015	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities:				
Loans and borrowings (non-current)				
- Floating rate term loans	17,243	16,802	12,936	12,542
- Islamic financing	246,000	235,103	234,442	229,936
- Obligation under finance leases	990	984	1,112	1,112

**Determination of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value:

	Note
Trade and other receivables	12
Loans and borrowings (current)	17
Trade and other payables	18

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

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 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.

**Finance lease obligations**

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

**Quoted equity instruments**

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**34. Fair value of financial instruments (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 (Note 17).

Fair value hierarchy

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) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties.

Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**34. Fair value of financial instruments (cont'd.)**

At each reporting date, the senior management analyses the movements in the values of assets which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compare each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

As at 31. March 2016 and 31 March 2015, the Group and the Company held the following assets carried at fair value in the statements of financial position:

	2016 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>Group</b>				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	3,849	3,849	-	-
Quoted shares outside Malaysia	18	18	-	-
Investment properties	1,247,226	-	240,591	1,006,635
<b>Company</b>				
Assets measured at fair value				
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,194	1,194	-	-
Quoted shares outside Malaysia	18	18	-	-

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**34. Fair value of financial instruments (cont'd.)**

	2015 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>Group</b>				
Assets measured at fair value				
Financial assets at fair value through profit or loss	12,221	12,221	-	-
Available-for-sale financial assets:				
Quoted shares in Malaysia	4,535	4,535	-	-
Quoted shares outside Malaysia	20	20	-	-
Investment properties	1,133,136	-	225,155	907,981
<b>Company</b>				
Assets measured at fair value				
Financial assets at fair value through profit or loss	2,043	2,043	-	-
Available-for-sale financial assets:				
Quoted shares in Malaysia	1,354	1,354	-	-
Quoted shares outside Malaysia	20	20	-	-

During the financial years ended 31 March 2016 and 31 March 2015, there were no known transfers between Level 1 and Level 2 fair value measurements.

**35. Financial risk management objectives and policies**

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, market price risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**35. Financial risk management objectives and policies (cont'd.)**

The following sections provide details regarding the Group's and 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 cash and cash equivalents), 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 to ensure that the Group's exposure to bad debts is kept to the minimum.

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.
- Corporate guarantee provided by the Company to banks or financial institutions on subsidiaries' bank loans and borrowings.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 12 to the financial statements.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**35. Financial risk management objectives and policies (cont'd.)**

**(a) Credit risk (cont'd.)**

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

Group	2016		2015	
	RM'000	% of total	RM'000	% of total
<b>By business segments:</b>				
Property development	23,372	81.4%	21,533	98.2%
Car park operations	12	0.0%	203	0.9%
Mall operations	861	3.0%	202	0.9%
Trading of building materials	4,483	15.6%	-	0.0%
	<u>28,728</u>	<u>100%</u>	<u>21,938</u>	<u>100%</u>

**(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 and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objectives are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

At the reporting date, approximately 39% (2015: 34%) of the Group's loans and borrowings (Note 17) will mature in less than one year based on the carrying amount reflected in the financial statements.

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**Asian Pac Holdings Berhad**  
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**35. Financial risk management objectives and policies (cont'd.)**

**(b) Liquidity risk (cont'd.)**

**Analysis of financial instruments by remaining contractual maturities**

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

	On demand or within one year RM'000	More than one year less than five years RM'000	Over five years RM'000	Total RM'000
<b>2016</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	158,884	23,086	-	181,970
Loans and borrowings	144,178	238,006	84,691	466,875
Total undiscounted financial liabilities	303,062	261,092	84,691	648,845
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables, excluding financial guarantees	29,605	-	-	29,605
Loans and borrowings	50,108	266	-	50,374
Total undiscounted financial liabilities*	79,713	266	-	79,979
<b>2015</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	174,886	14,087	-	188,973
Loans and borrowings	150,154	199,851	119,936	469,941
Total undiscounted financial liabilities	325,040	213,938	119,936	658,914

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad**  
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**35. Financial risk management objectives and policies (cont'd.)**

**(b) Liquidity risk (cont'd.)**

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

2015	On demand or within one year RM'000	More than one year less than five years RM'000	Over five years RM'000	Total RM'000
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables, excluding financial guarantees	26,970	-	-	26,970
Loans and borrowings	50,344	393	-	50,737
Total undiscounted financial liabilities*	77,314	393	-	77,707

\* At the reporting date, the counterparty to the financial guarantees do not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arise primarily from the short term deposits and loans and borrowings.

**Sensitivity analysis for interest rate risk**

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax arising as a result of lower/higher interest income on short term deposits and interest expense on floating rate loans and borrowings would have the following effects:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit net of tax	(250)	(251)	(34)	(14)

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
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**35. Financial risk management objectives and policies (cont'd.)**
**(d) Market price risk**

Market price risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from investment in quoted equity instruments in Malaysia and Singapore. These instruments are classified as available-for-sale financial assets. The Group and the Company do not have exposure to commodity price risk.

The Group's and the Company's exposure to market price risk are minimal as the Group's and the Company's investment in quoted equity instruments are small compared to its total assets.

**(e) 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 Company has transactional currency exposure arising from amount due from an associate that is denominated in Indonesian Rupiah. The Company is also exposed to currency translation risk arising from its net investments in foreign operations.

The Company's exposure to foreign currency risk is minimal.

**36. 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 to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. No changes were made in the objectives, policies or processes during the years ended 31 March 2016 and 31 March 2015.

The Group's policy is to maintain a sustainable gearing ratio to meet its existing requirements taking into consideration the facilities agreements entered into by the Group. The Group includes within the net debt, loans and borrowings, hire purchase liabilities, trade and other payables, less other investment, short term deposits, cash and cash equivalents. Capital refers to equity attributable to owners.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**
**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**
**36. Capital management**

	Note	Group		Company	
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
Loans and borrowings	17	381,061	376,354	50,374	50,479
Trade and other payables	18	181,970	188,028	29,605	26,970
Less: Short term deposits	14	(13,682)	(13,306)	-	-
Cash and cash equivalents	14	(55,932)	(71,883)	(5,161)	(31,877)
Net debt		<u>493,417</u>	<u>479,193</u>	<u>74,818</u>	<u>45,572</u>
Equity attributable to the owners of the parent, representing total capital		<u>862,316</u>	<u>791,672</u>	<u>417,675</u>	<u>420,149</u>
Capital and net debt		<u>1,355,733</u>	<u>1,270,865</u>	<u>492,493</u>	<u>465,721</u>
Gearing ratio		<u>36%</u>	<u>38%</u>	<u>15%</u>	<u>10%</u>

**37. Segment information**

For management purposes, the Group is organised into business units based on their products and services, and has 5 reportable operating segments as follows:

- (i) Investment holding - holding of quoted and unquoted shares for capital investment purposes;
- (ii) Property development - development of residential and commercial properties;
- (iii) Land and office properties - rental and capital appreciation
- (iv) Car park operations - operation of car park; and
- (v) Mall operations - mall leasing and operation.

Except as indicated above, no operating segments have been aggregated to form the above reportable 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. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

## APPENDIX IV

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Asian Pac Holdings Berhad  
(Incorporated in Malaysia)

## 37. Segment information (cont'd.)

	Investment holding and others	Property investment										Consolidated	
		Property development		Land and office properties		Car park operations		Mall operations		Adjustments and eliminations			Note
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>													
External customers	5,012	339	116,719	225,302	1,250	1,200	2,427	3,244	29,497	184	-	154,905	230,269
Inter-segment	1,851	29,587	-	37,145	7	7	927	-	20,820	-	(23,605)	-	-
Total revenue	6,863	29,906	116,719	262,447	1,257	1,207	3,354	3,244	50,317	184	(23,605)	154,905	230,269
<b>Results:</b>													
Interest income	372	751	1,350	2,097	-	-	-	-	29	-	-	1,751	2,731
Dividend income	10	27,506	-	-	-	-	-	-	-	-	-	10	6
Depreciation	141	175	1,902	1,603	11	72	45	579	286	-	-	2,385	2,429
Other non-cash expenses	-	743	82	4,048	4	-	-	-	497	-	(4)	579	4,791
Impairment of assets	10,494	236	416	2,479	-	-	-	-	-	-	(9,325)	1,585	2,715
Segment profit/(loss)	276	51,340	14,797	43,964	9,438	45,493	1,794	1,526	66,858	468,894	(5,087)	88,076	528,844
<b>Assets and liabilities:</b>													
Additions to non-current assets	22	744	2,935	5,138	-	20,900	-	-	1,311	113,773	-	4,268	140,555
Segment assets	25,640	45,321	253,974	250,895	149,601	138,178	103,844	29,749	1,027,710	1,012,679	71,768	1,632,537	1,550,040
Segment liabilities	53,366	52,659	112,396	65,408	19,776	20,002	6	870	525,088	576,549	59,356	769,988	758,112

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

**Asian Pac Holdings Berhad  
(Incorporated in Malaysia)**

**37. 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 upon consolidation.

**B** Other material non-cash expenses consist of the following items presented in the respective notes to the financial statements:

	<b>Note</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
ESOS option costs		-	4,632
Loss on disposal of property, plant and equipment		3	1
Property, plant and equipment written off	25	53	158
Unwinding of interest		523	-
		<u>579</u>	<u>4,791</u>

**C** Impairment of assets consist of:

	<b>Note</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Impairment of intangible asset	6	692	2,479
Impairment on quoted investment	25	364	-
Impairment on other receivables	25	529	236
		<u>1,585</u>	<u>2,715</u>

**D** The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Land held for property development	40,369	40,369
Intangible asset	14,104	14,796
Property development costs	13,280	14,583
Trade and other receivables	-	(4,153)
Inventories for completed properties	5,431	7,623
Accrued Income	(1,416)	-
	<u>71,768</u>	<u>73,218</u>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
(Incorporated in Malaysia)

**37. Segment information (cont'd.)**

**Notes**    **Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd.)**

**E**        The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Accrued cost	(1,416)	-
Deferred tax liabilities	60,772	42,624
	<u>59,356</u>	<u>42,624</u>

**Geographical segments**

No geographical segment is prepared as the Group operates only in Malaysia.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASIAN PAC FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**


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**Asian Pac Holdings Berhad**  
**(Incorporated in Malaysia)**
**38. Supplementary information**

The breakdown of the retained earnings or accumulated losses of the Group and of the Company as at 31 March 2016 into realised and unrealised profits or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2012 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.

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings				
- Unrealised retained earnings/ (accumulated losses)	497,078	395,086	(1,006)	(994)
- Realised retained earnings	179,911	192,186	135,317	138,048
	<u>676,989</u>	<u>587,272</u>	<u>134,311</u>	<u>137,054</u>
Add : Consolidation adjustments	(20,071)	(1,010)	-	-
Total retained earnings	<u>656,918</u>	<u>586,262</u>	<u>134,311</u>	<u>137,054</u>

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON**

**ASIAN PAC HOLDINGS BERHAD** (129-T)  
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THIRD QUARTER ENDED 31 DECEMBER 2016**

(The figures have not been audited)

CERTIFIED TRUE COPY

.....  
**CHAN YOON MUN, ACIS**  
Company Secretary  
MAICSA 0927219

Date: 19/4/17

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/16 RM'000	31/12/15 RM'000	31/12/16 RM'000	31/12/15 RM'000
Revenue	66,722	47,726	178,002	97,065
Operating expenses	(58,591)	(43,806)	(155,842)	(92,795)
Other operating income	499	31,189	1,672	32,696
Profit from operations	8,630	35,109	23,832	36,966
Finance costs	(5,876)	(7,173)	(18,345)	(20,372)
Share of result of associate	-	-	-	-
Profit before taxation	2,754	27,936	5,487	16,594
Taxation	(2,081)	(381)	(4,320)	(540)
Profit after tax for the period	673	27,555	1,167	16,054
Attributable to:-				
Owners of the Parent	683	27,559	1,191	16,069
Non-controlling interests	(10)	(4)	(24)	(15)
	673	27,555	1,167	16,054
EPS				
- Basic (sen)	0.07	2.77	0.12	1.62
- Diluted (sen)	0.07 @	2.77 @	0.12 @	1.61

@ There is no dilutive event for the current quarter, preceding year corresponding quarter and for 9 months ended 31 December 2016. Therefore, the diluted EPS is the same as basic EPS.

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the notes to the Interim Financial Report).

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

**ASIAN PAC HOLDINGS BERHAD (129-T)**

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THIRD QUARTER ENDED 31 DECEMBER 2016**

(The figures have not been audited)

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER  31/12/16 RM'000	PRECEDING YEAR CORRESPONDING QUARTER Restated 31/12/15 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/12/16 RM'000	PRECEDING YEAR CORRESPONDING PERIOD Restated 31/12/15 RM'000
Profit after tax for the period	673	27,555	1,167	16,054
Other comprehensive income/(expense) :				
Fair value income/(expense) on available-for-sale financial assets	248	(602)	93	(438)
Total comprehensive income for the period	<u>921</u>	<u>26,953</u>	<u>1,260</u>	<u>15,616</u>
Total comprehensive income attributable to :				
Owners of the Parent	931	26,957	1,284	15,631
Non-controlling interests	(10)	(4)	(24)	(15)
	<u>921</u>	<u>26,953</u>	<u>1,260</u>	<u>15,616</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the notes to the Interim Financial Report).

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

**ASIAN PAC HOLDINGS BHD (129-T)**

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2016**

(The figures have not been audited)

	AS AT END OF FINANCIAL PERIOD 31/12/16 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/03/16 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	9,955	11,135
Land held for property development	54,495	54,373
Investment properties	1,247,226	1,247,226
Intangible assets	14,019	14,104
Investment in associate	-	-
Available-for-sale investments	3,961	3,867
Deferred tax assets	26	1,223
	<u>1,329,682</u>	<u>1,331,928</u>
<b>Current Assets</b>		
Property development costs	85,101	90,993
Inventories of completed properties	37,595	47,672
Trade & other receivables	65,138	57,823
Accrued billings in respect of property development costs	15,863	20,451
Accrued income	6,646	8,033
Prepayment	67	440
Tax recoverable	2,320	5,583
Others investment	16,847	13,682
Cash and bank balances	53,102	55,932
	<u>282,679</u>	<u>300,609</u>
<b>TOTAL ASSETS</b>	<u>1,612,361</u>	<u>1,632,537</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	198,513	198,513
Reserves	3,688	6,885
Retained profits	661,399	656,918
<b>Total shareholder's equity</b>	<u>863,600</u>	<u>862,316</u>
Non-Controlling interest	209	233
<b>Total Equity</b>	<u>863,809</u>	<u>862,549</u>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	196,762	198,969
Long Term Trade Creditors	23,086	23,086
Loans and borrowings	225,188	264,233
	<u>445,036</u>	<u>486,288</u>
<b>Current Liabilities</b>		
Loans and borrowings	129,524	116,828
Trade & other payables	156,597	158,884
Prepayment from tenants	990	699
Progress billings in respect of property development costs	12,877	3,968
Tax payable	3,528	3,321
	<u>303,516</u>	<u>283,700</u>
<b>Total liabilities</b>	<u>748,552</u>	<u>769,988</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,612,361</u>	<u>1,632,537</u>
Net assets per share attributable to equity holders of the parent (Sen)	87.0	86.9

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the financial statements for the year ended 31 March 2016 and the Notes to the Interim Financial Report)

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

**ASIAN PAC HOLDINGS BHD** (129-T)  
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THIRD QUARTER ENDED 31 DECEMBER 2016**

	Attributable to Equity Holders of the Parent						
	Non-distributable			Distributable		Non	Total
	Share Capital	Share Premium	Other Reserves	Retained Profits Restated	Total	Controlling Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2016</b>	198,513	3,551	3,334	656,918	862,316	233	862,549
Total comprehensive income for the period	-	-	93	1,191	1,284	(24)	1,260
Expiry of employees' share options	-	-	(3,290)	3,290	-	-	-
<b>At 31 December 2016</b>	<u>198,513</u>	<u>3,551</u>	<u>137</u>	<u>661,399</u>	<u>863,600</u>	<u>209</u>	<u>863,809</u>
<b>At 1 April 2015</b>	198,205	3,427	3,778	586,261	791,671	256	791,927
Total comprehensive (expense)/ income for the period	-	-	(438)	16,069	15,631	(15)	15,616
Dividends paid	-	-	-	(2,978)	(2,978)	-	(2,978)
Issue of ordinary shares pursuant to ESOS	308	124	(120)	-	312	-	312
<b>At 31 December 2015</b>	<u>198,513</u>	<u>3,551</u>	<u>3,220</u>	<u>599,352</u>	<u>804,636</u>	<u>241</u>	<u>804,877</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the year ended 31 March 2016 and the Notes to the Interim Financial Report)

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

**ASIAN PAC HOLDINGS BHD** (129-T)  
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THIRD QUARTER ENDED 31 DECEMBER 2016**

(The figures have not been audited)

	31/12/16 RM'000	31/12/15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,487	16,594
Adjustment for non-cash items :		
Non-cash items	1,569	2,189
Non-operating items	17,319	19,158
Operating profit before working capital changes	24,375	37,941
Changes in Working Capital :		
Increase/(decrease) in receivables	(770)	21,740
Movement in property development cost	5,769	(3,274)
Movement in stocks	10,077	3,893
Increase/(decrease) in payable	7,933	(23,526)
Cash generated from operations	47,384	36,774
Interest and dividend received	91	300
Taxation paid	(1,861)	(7,777)
<b>Net cash generated from operations</b>	<b>45,614</b>	<b>29,297</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividend received	927	915
Other investments/placements	(3,165)	12,222
Purchase property, plant & equipment (net of disposal)	(491)	(1,378)
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,729)</b>	<b>11,759</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from exercise of ESOS	-	311
Repayment hire purchase financing (net)	(344)	(428)
Drawdown of Short & Long Term Loan	-	18,152
Repayment of Short/Long Term Loan & Financing Cost	(26,955)	(18,078)
Interest paid	(18,416)	(19,424)
Dividend paid	-	(2,978)
<b>Net cash used in financing activities</b>	<b>(45,715)</b>	<b>(22,445)</b>
<b>NET CHANGES IN CASH &amp; BANK BALANCES</b>	<b>(2,830)</b>	<b>18,611</b>
<b>CASH &amp; BANK BALANCES AT THE BEGINNING OF THE PERIOD</b>	<b>55,932</b>	<b>71,883</b>
<b>CASH &amp; BANK BALANCES AT THE END OF THE PERIOD</b>	<b>53,102</b>	<b>90,494</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the financial statements for the year ended 31 March 2016 and Notes to the Interim Financial Report)

## THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

**ASIAN PAC HOLDINGS BERHAD (129-T)**  
(INCORPORATED IN MALAYSIA)

### PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

#### A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134 : Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2016.

The accounting policies and methods of computation adopted in this interim financial statements are consistent with those adopted in the preparation of the audited financial statements for the year ended 31 March 2016, except for the adoption of the following Financial Reporting Standards (FRS), amendment to FRS and Issues Committee ("IC") Interpretations, which are applicable for the Group's financial year beginning 1 April 2016:-

Annual Improvements to FRSs 2012 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group.

#### Malaysian Financial Reporting Standards (MFRS Framework)

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

The Group falls within the definition of Transitioning Entities and is currently exempted from adopting the MFRS. Accordingly, the Group will adopt the MFRS and present its first MFRS financial statements when adoption of the MFRS is mandated by the MASB. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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

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**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

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**ASIAN PAC HOLDINGS BERHAD (129-T)**  
(INCORPORATED IN MALAYSIA)

**A2 Audit Qualification**

The audit report of the preceding annual financial statements was not qualified.

**A3 Seasonal or Cyclical Factors**

The Group's activities are not affected by any seasonal or cyclical factors.

**A4 Nature and Amount of Unusual Items**

There were no items of an exceptional or unusual nature that have affected the assets, liabilities, equity, net income or cashflows of the Group during the current quarter.

**A5 Changes in estimates**

There are no significant changes in estimates in the current quarter.

**A6 Debt and Equity Securities**

There were no other issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter.

**A7 Dividend**

There were no dividend paid for the third quarter of 31 December 2016.

**A8 Subsequent Events**

There were no material events subsequent to the third quarter ended 31 December 2016 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**A9 Effects of Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter since the last financial report.

**A10 Contingent Liabilities**

Contingent liabilities of the Group as at the date of this report, are in respect of guarantees given to government bodies and service providers amounting to RM13,586,000.

**A11 Capital Commitment**

The capital commitment as at the date of this announcement is as follows:

	RM'000
Approved and contracted for:	
Acquisition of equity interest	<u>2,000</u>

**A12 Related Party Transactions**

There were no significant related party transactions as at the date of this announcement.

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

ASIAN PAC HOLDINGS BERHAD (129-T)  
(INCORPORATED IN MALAYSIA)

**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Review of Performance of the Operating Segments**

	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
	31/12/16	31/12/15	31/12/16	31/12/15
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Investment holding and others	835	1,432	2,909	1,677
Property development	53,626	38,237	139,824	72,308
Property investment	342	313	968	937
Mall operations	10,194	7,002	29,706	20,430
Carpark operations	1,725	742	4,595	1,713
Total revenue	66,722	47,726	178,002	97,065
<u>Results</u>				
Investment holding and others	23,928	(968)	22,343	(3,233)
Property development	5,834	34,064	13,999	30,756
Property investment	(1)	(440)	(18)	1
Mall Operations	(517)	(3,169)	(159)	(9,372)
Carpark operations	1,373	565	3,877	814
	30,617	30,052	40,042	18,966
Adjustments and eliminations	(27,863)	(2,116)	(34,555)	(2,372)
Profit before tax	2,754	27,936	5,487	16,594

**Current Quarter vs Previous Year Corresponding Quarter**

For the current quarter under review, the Group recorded a higher revenue of RM66.7 million as compared to preceding year corresponding quarter of RM47.7 million. The higher revenue in current quarter was mainly due to the higher revenue recognised by the Property Development Division for Fortune Perdana and Dataran Larkin 2 projects as compared to the preceding year corresponding quarter.

The Group recorded a profit before tax of RM2.8 million in the current quarter as compared to RM27.9 million in the preceding year corresponding quarter. The lower profit before tax in the current quarter was mainly due to a grant of RM30.4 million received from the federal government in the preceding year corresponding quarter.

**B2 Comment on Financial Results (Current quarter compared with the preceding quarter)**

	Current Quarter	Preceding Quarter	Variance
	31/12/16	30/9/16	
	RM'000	RM'000	RM'000
Profit before tax	2,754	402	2,352

The Group recorded a higher pre-tax profit of RM2.4 million in the current quarter ended 31 December 2016 as compared to the preceding quarter ended 30 September 2016 was mainly due to higher profit recognised for the development projects at Fortune Perdana and Dataran Larkin 2.

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

**ASIAN PAC HOLDINGS BERHAD (129-T)**  
(INCORPORATED IN MALAYSIA)

**B3 Prospects**

The Group currently has three active divisions contributing to the Group's results, namely, Property Development, Mall Operations and the Car Park Operations. Amid the current difficult economic environment, the Group is cautiously optimistic of its performance in the remaining financial year.

**B4 Profit Forecast / Guarantee**

There were no profit forecast or profit guarantee issued by the Group.

**B5 Taxation**

Taxation comprises:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/16 RM'000	31/12/15 RM'000	31/12/16 RM'000	31/12/15 RM'000
<b>Company Level</b>				
- current taxation	-	-	-	-
- prior year	-	-	-	-
<b>Subsidiary Companies</b>				
- current taxation	(3,065)	(246)	(5,304)	(405)
- prior year	984	(135)	984	(135)
	<u>(2,081)</u>	<u>(381)</u>	<u>(4,320)</u>	<u>(540)</u>

The tax charge in the current quarter and current year-to-date arises from the operating and investment income of subsidiary companies.

The difference between the income tax expense at the statutory income tax rate and the income tax expense at the effective income tax rate of the Group is due to certain income not subject to tax, certain expenses not deductible for tax purposes, utilisation of previously unrecognised tax losses and deferred tax assets not recognised during the current quarter and current year-to-date.

**B6 Status of Corporate Proposals**

On 8 August 2016, the Company has announced to undertake the following proposals :

- Proposed renounceable rights issue of up to RM99,256,461 nominal value of 5-year 3% irredeemable convertible unsecured loan stocks to be issued at 100% of its nominal value of RM1.00 each ("ICULS") on the basis of 1 ICULS for every 10 ordinary shares of RM0.20 each in Asian Pac ("Asian Pac Shares") held by the entitled shareholders on an entitlement date to be determined later together with up to 198,512,922 free new detachable warrants ("Warrants") to be issued on the basis of 2 Warrants for each ICULS subscribed ("Proposed Rights Issue"); and
- Proposed exemption to Mah Sau Cheong and persons acting in concert with him ("PACS") from the obligation to undertake a mandatory take-over offer for all the Asian Pac Shares, convertible securities and new Asian Pac Shares to be issued pursuant to the conversion of ICULS or the exercise of the warrants not held by Mah Sau Cheong or his PACs ("Proposed Exemption")

(collectively, the Proposals)

The Company has received all the requisite approvals from the relevant authorities as well as the shareholders for the Proposals. Accordingly, the abridged prospectus will be issued in due course.

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

ASIAN PAC HOLDINGS BERHAD (129-T)  
(INCORPORATED IN MALAYSIA)

**B7 Group Borrowings as at 31 December 2016 are as follows:**

	RM'000
<b>a) Current</b>	
Secured:-	
Term loans and Revolving Credits	129,136
Obligation under finance lease	388
	<u>129,524</u>
<b>b) Non-current</b>	
Secured:-	
Term loans	224,511
Obligation under finance lease	677
	<u>225,188</u>
<b>Total Borrowings</b>	<u><u>354,712</u></u>

**B8 Material Litigation**

The Directors are not aware of any material litigation that would adversely affect the operations and financial affairs of the Group as at the date of this announcement.

**B9 Proposed Dividend**

The Directors do not recommend any dividend for the third quarter ended 31 December 2016.

**B10 Earnings Per Share**

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER Restated	CUMULATIVE QUARTER CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD Restated
	31/12/16 RM'000	31/12/15 RM'000	31/12/16 RM'000	31/12/15 RM'000
<b>a) Basic earnings per share</b>				
Net profit attributable to owners of the parent	683	27,559	1,191	16,069
Weighted average no. of ordinary share in issue	992,565	992,358	992,565	992,358
<b>Basic earnings per share (sen)</b>	<u>0.07</u>	<u>2.78</u>	<u>0.12</u>	<u>1.62</u>
<b>b) Diluted earning per share</b>				
Net profit attributable to ordinary equity holders of the parent	683	27,559	1,191	16,069
Weighted average no. of ordinary share in issue	992,565	992,358	992,565	992,358
Assumed exercise of ESOS	@	@	@	3,169
	<u>992,565</u>	<u>992,358</u>	<u>992,565</u>	<u>995,527</u>
<b>Diluted earning per share (sen)</b>	<u>0.07</u>	<u>2.78</u>	<u>0.12</u>	<u>1.61</u>

@ There is no dilutive event for the current quarter, preceding year corresponding quarter and for 9 months ended 31 December 2016. Therefore, the diluted EPS is the same as basic EPS.

**THE LATEST UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF ASIAN PAC FOR THE 9-MONTH FPE 31 DECEMBER 2016 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)**

**ASIAN PAC HOLDINGS BERHAD (129-T)**  
(INCORPORATED IN MALAYSIA)

**B11 Profit Before Tax**

The following amounts have been included in arriving at profit before tax:

	CURRENT YEAR QUARTER 31/12/16 RM'000	CURRENT YEAR TODATE 31/12/16 RM'000
<b>Charging:</b>		
Depreciation	570	1,671
Finance cost	5,876	18,345
Impairment of goodwill	33	85
<b>And crediting:</b>		
Interest income	334	1,017
Dividend income	9	9
Bad debts recovered	-	6
Write back allowance for doubtful debts	-	182
Other income	208	738

The gain or loss on derivatives is not applicable to the Group as the Group's policy states that no trading in derivative financial instruments shall be undertaken.

**B12 Realised and Unrealised Retained Profit Disclosure**

	As at 31/12/16 RM'000	As at 31/03/16 RM'000
Total retained profits		
- Unrealised retained profits	496,068	497,078
- Realised retained profits	192,727	179,911
	688,795	676,989
Add : Consolidation adjustments	(27,396)	(20,071)
Total Group retained profits	661,399	656,918

Dated : 22 February 2017  
Kuala Lumpur, Malaysia

By order of the Board  
Chan Yoon Mun  
Secretary

DIRECTORS' REPORT



**ASIAN PAC HOLDINGS BERHAD** (Co. No. 129-T)

Ground Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur.

Telephone: 603-2786 3388

Telefax: 603-2786 3380 (Marketing) 603-2786 3381 (Sales Admin, Retail & Marcom)

603-2786 3382 (Project, Admin) 603-2786 3383 (Accounts)

<http://www.asianpac.com.my>

18 APR 2017

**Registered Address:**

12th Floor, Menara SMI  
No. 6, Lorong P. Ramlee  
50250 Kuala Lumpur

**To: The shareholders of Asian Pac Holdings Berhad**

Dear Sir/Madam,

On behalf of the Board of Directors of Asian Pac Holdings Berhad ("**Asian Pac**" or the "**Company**") ("**Board**"), I wish to report, after making due enquiries in relation to the period between 31 March 2016, being the date to which the last audited financial statements of Asian Pac and its subsidiaries ("**Group**") have been made up, and the date hereof, being a date not earlier than 14 days before the issue date of this Abridged Prospectus:

- (a) the business of our Group has, in our Board's opinion, been satisfactorily maintained;
- (b) in our Board's opinion, no circumstances have arisen since the last audited financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in the Abridged Prospectus, there are no other contingent liabilities which have arisen by reason of any guarantee or indemnity given by our Group;
- (e) there have been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowing of our Group since the last audited financial statements of our Group; and
- (f) save as disclosed in the Abridged Prospectus, there have been no material change in the published reserves or any unusual factor affecting the profits of our Group since the last audited financial statements of our Group.

Yours faithfully,

For and on behalf of the Board of  
**ASIAN PAC HOLDINGS BERHAD**

A handwritten signature in black ink, appearing to be "Hj MEGAT", with a long horizontal line extending to the right.

**TAN SRI DATO' SERI HJ MEGAT NAJMUDDIN BIN DATUK SERI DR HJ MEGAT KHAS**  
Chairman/Independent Non-Executive Director

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**ADDITIONAL INFORMATION**


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**1. SHARE CAPITAL**

- (a) Save for the ICULS, Warrants and new Asian Pac Shares to be issued pursuant to the conversion of the ICULS and/or exercise of the Warrants, no other securities will be issued or allotted on the basis of this Abridged Prospectus later than 12 months after the date of the issuance of this Abridged Prospectus.
- (b) As at the LPD, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another.
- (c) Save as disclosed in Section 2 of Appendix II of this Abridged Prospectus, there are no other securities in our Company that have been issued or agreed to be issued, as partly or fully paid-up for a consideration in cash or otherwise in cash, within 2 years preceding the date of this Abridged Prospectus.
- (d) All the new Asian Pac Shares to be issued pursuant to the conversion of ICULS and/or exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the then existing issued Asian Pac Shares, except that the holders of the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the date of allotment and issuance of the said Shares.
- (e) Save for the ICULS and Warrants to be issued pursuant to the Rights Issue of ICULS with Warrants, the new Asian Pac Shares to be issued pursuant to the conversion of ICULS and/or exercise of the Warrants, and our Entitled Shareholders who are entitled to the Provisional ICULS with Warrants, no other person has been or is entitled to be granted an option to subscribe for any securities of our Company and no capital of our Company is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Abridged Prospectus.

**2. ARTICLES OF ASSOCIATION**

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:

**Article 104**

*The fees of the Directors shall be by a fixed sum which shall from time to time be determined by the Company in General Meeting and shall (unless the resolution otherwise provide) be divisible amongst the Directors as they shall determine or failing agreement equally. The Directors shall also be paid such traveling, hotel or other expenses as may reasonable be incurred by them in the execution of their duties including such expenses incurred in connection with their attendance at meetings of Directors. If by arrangement with the other Directors any Director shall perform or render any duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration in a lump sum in addition to his ordinary remuneration. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting. The remuneration to Executive Directors may however, include such percentage of profits as the Directors may determine but shall not in any circumstances include the commission on or percentage of turnover. Non-executive Directors shall not in any event be remunerated by a commission on or percentage of profits or turnover.*

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**ADDITIONAL INFORMATION (CONT'D)**


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**Article 109**

*The remuneration of a Managing Director shall from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes, but shall not be by a commission on or percentage of turnover.*

**3. MATERIAL CONTRACTS**

Save as disclosed below, as at LPD, our Group has not entered into any other material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business during the 2 years immediately preceding the date of this Abridged Prospectus:

- (a) the Trust Deed; and
- (b) the Deed Poll.

**4. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION**

Save as disclosed below and as at the LPD, the Asian Pac Group is not engaged in any other material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of our Group, and our Board is not aware of any proceeding, pending or threatened against our Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Group:

- (a) On 22 March 2016, Bina Puri Construction Sdn Bhd ("**BPC**") vide its solicitors, Messrs Nibert Yapp & Associates served a Notice of Adjudication pursuant to Section 8 of the Construction Industry Payment and Adjudication Act 2012 ("**CIPAA**") on Syarikat Kapasi Sdn Bhd ("**SKSB**") (a wholly owned subsidiary of Asian Pac) claiming for a total of RM29,818,685.04 being the value of works certified and its overdue interest, pursuant to the construction contract signed between SKSB and BPC dated 8 February 2012.

Subsequent to the parties' exchange of documents and written submissions to the Adjudicator following the above Notice of Adjudication by BPC, the Adjudicator has decided on 11 July 2016 that the sum of RM29,818,685.04 claimed by BPC has been fully extinguished by the sums put forward by SKSB to offset the claim hence there is no payment to be made by one party to the other, except for the RM154,306.69 in costs to be paid by BPC to SKSB ("**Adjudication Decision**").

On 3 August 2016, BPC served to SKSB an originating summons to apply to set aside the Adjudication Decision ("**Set Aside Application**") and the hearing of the said application was fixed on 15 December 2016 at the High Court in Kota Kinabalu.

On 15 December 2016, the High Court in Kota Kinabalu decided to set aside the Adjudication Decision ("**Set Aside Application Decision**"). However, SKSB has vide its solicitors, filed a Notice of Appeal to appeal to the Court of Appeal Malaysia against the Set Aside Application Decision.

On 28 February 2017, the Court of Appeal affirmed the Set Aside Application Decision. Notwithstanding the said affirmation, the Court of Appeal ruled that there should not be an order to pay RM29,818,685.04 to BPC.

**ADDITIONAL INFORMATION (CONT'D)**

SKSB has vide its solicitors, filed a motion for leave to appeal before the Federal Court against the Court of Appeal's affirmation of the Set Aside Application Decision ("**Appeal**").

SKSB's solicitors for this matter are of the view that SKSB is likely to succeed in the Appeal.

**5. GENERAL**

- (a) None of our Directors has any existing or proposed service contracts with our Company or any of our subsidiaries, excluding contracts expiring or determinable by the employing company without payments or compensation (other than statutory compensation) within 1 year from the date of this Abridged Prospectus.
- (b) Save as disclosed in this Abridged Prospectus, the financial conditions and operations of our Group are not affected by the following:
  - (i) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
  - (ii) material information including trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits;
  - (iii) material commitments for capital expenditure, save as disclosed in Section 9.4 of this Abridged Prospectus;
  - (iv) substantial increase in revenue;
  - (v) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from the operations of our Group; and
  - (vi) known trends or uncertainties that have had or that our Group reasonably expects will have a material favourable or unfavourable impact on revenues or operating income of our Group.

**6. CONSENTS**

The written consents of the Principal Adviser, Company Secretaries, Solicitors, Share Registrar and Paying Agent, Principal Bankers, Trustee, cfSolutions and Bloomberg Finance L.P. to the inclusion in this Abridged Prospectus of their names and all references thereto in the form, manner and context in which they appear have been given and have not subsequently been withdrawn before the issuance of this Abridged Prospectus.

The written consents of the Auditors/Reporting Accountants to the inclusion in this Abridged Prospectus of its name, the Reporting Accountants' Report on the Proforma Consolidated Statement of Financial Position of Asian Pac as at 31 March 2016 and the Auditors' Report accompanying the audited consolidated financial statements of Asian Pac for the FYE 31 March 2016 as set out in Appendices III and IV of this Abridged Prospectus, respectively, and all references thereto in the form, manner and context in which they appear have been given and have not subsequently been withdrawn before the issuance of this Abridged Prospectus.

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**ADDITIONAL INFORMATION (CONT'D)**

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**7. CONFLICT OF INTEREST**

Save as disclosed below, Affin Hwang IB hereby declares that there is no other situation of conflict of interest that exists or likely to exist in relation to its role as the Principal Adviser to Asian Pac for the Corporate Exercises.

Affin Holdings Berhad (the holding company of Affin Hwang IB) and its related and associated companies ("**Affin Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Affin Group has engaged and may in the future, engage in transactions with and perform services for the Company and/or the Company's affiliates, in addition to the roles set out in this Abridged Prospectus. In addition, in the ordinary course of business, any member of the Affin Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of the Asian Pac Group, the Company's shareholders, and/or the Company's affiliates and/or any other entity or person, hold long or short positions in securities issued by the Company and/or the Company's affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any members of the Asian Pac Group and/or the Company's affiliates.

As at the LPD, Affin Group has in the ordinary course of its banking business, extended credit facilities to the Undertaking Shareholders and the Asian Pac Group.

In addition, Affin Hwang IB has been appointed as Principal Adviser to Mah Sau Cheong for the Exemption.

Affin Hwang IB has considered the factors involved and believes objectivity and independence in carrying out its role are maintained at all times notwithstanding the aforementioned roles as these are mitigated by the following:

- (i) The businesses of Affin Group generally act independently of each other, and accordingly, there may be situations where parts of the Affin Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of the Asian Pac Group. Nonetheless, the Affin Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions;
- (ii) the total outstanding amount in respect of the credit facilities provided to the Undertaking Shareholders and the Asian Pac Group as at the LPD is not material when compared to the latest audited consolidated gross loans, advances and financing of Affin Group as at 31 December 2016;
- (iii) notwithstanding that the credit facilities had been extended to the Undertaking Shareholders in relation to the Rights Issue of ICULS with Warrants, none of the proceeds that will be raised from the Rights Issue of ICULS with Warrants will be used for the repayment of the credit facilities provided;
- (iv) all credit facilities have been extended and/or will be extended by the Affin Group are in its ordinary course of business;

**ADDITIONAL INFORMATION (CONT'D)**

- (v) the conduct of the Affin Group in its banking business is strictly regulated by the Financial Services Act, 2013, the Islamic Financial Services Act, 2013, the Capital Markets and Services Act, 2007 and the Affin Group's own internal controls and checks; and
- (vi) the Board has appointed cfSolutions Sdn Bhd as the Independent Adviser to advise the Directors and non-interested shareholders of Asian Pac on the Exemption.

Accordingly, the Board has been fully informed and is aware of the roles of Affin Group mentioned above and is agreeable to the role of Affin Hwang IB as the Principal Adviser to Asian Pac for the Corporate Exercises.

**8. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be made available for inspection at the registered office of the Company at 12<sup>th</sup> Floor, Menara SMI, No. 6, Lorong P. Ramlee, 50250 Kuala Lumpur during normal business hours from 9.00 a.m. to 6:00 p.m. from Mondays to Fridays (excluding public holidays) for a period of 12 months from the date of this Abridged Prospectus:

- (a) the Memorandum and Articles of Association of Asian Pac;
- (b) the audited consolidated financial statements of Asian Pac for the past 2 FYEs 31 March 2015 and 31 March 2016;
- (c) the latest unaudited consolidated quarterly results of Asian Pac for the 9-month FPEs 31 December 2015 and 31 December 2016;
- (d) Proforma Consolidated Statement of Financial Position of Asian Pac as at 31 March 2016 together with the Reporting Accountants' Report thereon as set out in Appendix III of this Abridged Prospectus;
- (e) our Directors' Report as set out in Appendix VI of this Abridged Prospectus;
- (f) the material contracts referred to in Section 3 of Appendix VII of this Abridged Prospectus;
- (g) the writ and relevant cause papers in respect of the material litigations, claims or arbitration referred to in Section 4 of Appendix VII of this Abridged Prospectus;
- (h) the letters of consent referred to in Section 6 of Appendix VII of this Abridged Prospectus; and
- (i) the Irrevocable Undertaking and Additional Undertaking letters by the Undertaking Shareholders as referred to in Section 2.5 of this Abridged Prospectus.

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**ADDITIONAL INFORMATION (CONT'D)**

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**9. RESPONSIBILITY STATEMENTS**

This Abridged Prospectus together with the accompanying documents have been seen and approved by our Board and they collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these Documents false or misleading.

Affin Hwang IB, being the Principal Adviser for the Rights Issue of ICULS with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of ICULS with Warrants.

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