ASIA BRANDS

ASIA BRANDS BERHAD (22414-V)

annual report

2017

CONTENTS

NOTICE IS HEREBY GIVEN that the Forty-Second Annual General Meeting of the Company will be held at the Conference Room of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan on Friday, 25 August 2017 at 9:00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)

2. To approve the payment of Directors' fees and benefits for the financial year ended 31 March 2017. (Resolution 1)

3. To re-elect Mr. Ng Chin Huat, who retires by rotation pursuant to Article 102 of the Company's Articles of Association. (Resolution 2)

4. To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 3)

As Special Business

5. To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:-

ORDINARY RESOLUTION 1
- AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

THAT subject to the Companies Act 2016 ("the Act"), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities where such approval is required, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company. (Resolution 4)

ORDINARY RESOLUTION 2
– PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

THAT subject to the compliance with Section 127 of the Companies Act 2016 and all other applicable laws, rules and regulations, approval be and is hereby given to the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("Bursa Securities") as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed ten per centum (10%) of the existing total number of issued shares in the ordinary share capital of the Company including the shares previously purchased and retained as Treasury Shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in the Statement to Shareholders.

THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities and any other relevant authorities.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as Treasury Shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Main Market Listing Requirements of Bursa Securities and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company. (Resolution 5)

6. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)
Company Secretaries

Kuala Lumpur
28 July 2017

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 August 2017 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at this Meeting.*

2. *A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*

3. *Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

6. *If a corporation is a member of the Company, it may vote by any person authorised by resolution of its directors or other governing body to act as its representative at any meeting in accordance with Article 75 of the Company's Articles of Association.*

7. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised and shall be deposited with the power of attorney or other authority (if any) at the registered office of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding this Meeting or adjourned meeting at which the person named in such proxy proposes to vote and in default the proxy shall not be treated as valid. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.*

Explanatory Notes: -

1. Item 1 of the Agenda

   This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Resolution 4

   The proposed adoption of Ordinary Resolution 1 is for the purpose of seeking a renewal for the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, from the date of the above Meeting, to issue and allot ordinary shares of not more than ten per centum (10%) from the unissued share capital of the Company for such purposes as the Directors of the Company consider would be in the interest of the Company. This authority will, unless revoked or varied at a General Meeting, expire at the conclusion of the next Annual General Meeting of the Company.

   This authority will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

   As at the date of this Notice, no new shares in the Company were issued under the provision of the general mandate granted to the Directors at the Forty-First Annual General Meeting held on 26 August 2016, which will lapse at the conclusion of the Forty-Second Annual General Meeting. Hence, no proceeds were raised therefrom.

3. Resolution 5

   The proposed adoption of Ordinary Resolution 2, if passed, is to renew the authority granted by the shareholders of the Company at the Forty-First Annual General Meeting held on 26 August 2016. The proposed renewal of the general mandate will empower the Directors to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the retained profits of the Company. This authority will, unless revoked or varied by the shareholders of the Company in general meeting, expire at the conclusion of the next Annual General Meeting.

ASIA BRANDS

Asia Brands Berhad (22414-V)

BABY

Anakku Sdn Bhd (100%)
(251823-V)

- **Baby Palace Sdn Bhd** (100%)
  (945470-T)
  - **Astra Brands Sdn Bhd** (100%)
    (1083344-H)

Generasi Prestasi Sdn Bhd (100%)
(285352-X)

INNERWEAR

Audrey Sdn Bhd (100%)
(127557-H)

- **Generasi Dinasti Sdn Bhd** (100%)
  (378890-X)

SHARED SERVICE

Asia Brands HR Services Sdn Bhd (100%)
(252394-M)

DORMANT

Asia Brands Global Sdn Bhd *(100%) (28583-U)*

Asia Brands Assets Management Sdn Bhd *(100%) (41441-H)*

Mickey Junior Sdn Bhd *(100%) (266617-P)*

Antioni Sdn Bhd *(100%) (272511-U)*

Bumcity Sdn Bhd *(100%) (514321-H)*

Diesel Marketing Sdn Bhd *(100%) (163031-U)*

Ubay Marketing Sdn Bhd *(100%) (600899-A)*

Ng Chin Huat (*Non-Independent Non-Executive Chairman*)

Male, aged 47, Malaysian, is the Non-Independent Non-Executive Chairman of the Company and a member of the Audit Committee and the Nomination and Remuneration Committee.

Mr. Ng was appointed to the Board on 1 March 2011. He holds a Bachelor of Commerce (Actuarial) degree from the University of Melbourne, Australia. Upon graduation in 1991, he worked as an Actuarial trainee in Prudential Singapore for two (2) years. Thereafter, he moved into the stock-broking industry in 1993, gaining employment with HLG Securities, Malaysia.

Mr. Ng joined Audrey International (M) Berhad in 1999 as an Executive Director and was subsequently promoted to Group Managing Director in 2002. In 2010, Mr. Ng assumed the role of the Group Chairman of the same company.

Apart from the above, Mr. Ng does not hold directorships in other public companies and listed companies but holds directorships in several other private limited companies.

Mr. Ng is a substantial shareholder of the Company by virtue of his and his spouse, Madam Yap Su P'ing's direct interest in Everest Hectare Sdn. Bhd., a substantial shareholder of the Company, via Section 8 of the Companies Act 2016. Mr. Ng is also related to Ng Tiong Seng Corporation Sdn. Bhd. ("NTSC"), a substantial shareholder of the Company, by virtue of NTSC being a family-owned company. Mr. Ng has no conflict of interest with the Company and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Ng attended all five (5) Board meetings held during the financial year ended 31 March 2017.

Kong Sau Kian (*Senior Independent Non-Executive Director*)

Male, aged 53, Malaysian, is a Senior Independent Non-Executive Director of the Company. Mr. Kong is the Chairman of the Audit Committee, and a member of the Nomination and Remuneration Committee.

Mr. Kong was appointed to the Board on 1 March 2011. He is a member of the Malaysian Institute of Accountants, graduated with a Bachelor of Accounting (Honours) degree from the University of Malaya in 1988. Subsequently, he joined KPMG Peat Marwick, an international accounting firm, until 1992 where his exposure include audit of a wide range of industries, corporate restructuring, acquisition audit and other special assignments.

Mr. Kong also sits on the board of LBI Capital Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Executive Director. He also holds directorships in several other private limited companies.

Mr. Kong does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company and does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Kong attended all five (5) Board meetings held during the financial year ended 31 March 2017.

Lim Kim Meng (*Independent Non-Executive Director)*

Male, aged 46, Malaysian, is an Independent Non-Executive Director of the Company. Mr. Lim is the Chairman of the Nomination and Remuneration Committee, and a member of the Audit Committee.

Mr. Lim was appointed to the Board on 1 March 2011. He graduated with a Second Class Honours Bachelor of Laws Degree from the University of London and completed his Certificate of Legal Practice in 1994. He is the Managing Partner of Kamil Hashim Raj & Lim, Advocates & Solicitors. His professional experience includes being a member of the Malaysia Financial Markets Association, holding the position of licensed foreign exchange and money market dealer at Southern Bank Berhad (1994-1997) and Institutional Sales Dealer and Licensed KLSE Equities Dealer with HLG Securities (1997-1998).

Mr. Lim does not hold directorships in other public companies and listed companies.

Mr. Lim does not have any family relationship with any Director and/or major shareholder nor any conflict of interest with the Company. He does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Lim attended all five (5) Board meetings held during the financial year ended 31 March 2017.

Cheah Yong Hock *(Group Chief Executive Officer)*

Male, aged 55, Malaysian, is the Group Chief Executive Officer of the Company. He was appointed to the Board on 15 August 2011. Prior to joining the Group, Mr. Cheah joined Asia Brands Corporation Berhad in 2003 as General Manager, and was subsequently promoted to Chief Executive Officer in 2010.

Mr. Cheah graduated in marketing and is a member of the Chartered Institute of Marketing United Kingdom. He is also a member of VISTAGE, the world's leading Chief Executive organisation.

Mr. Cheah has more than 24 years of extensive experience in the marketing business ranging from retailing for supermarket chains to sales and marketing of mass customer products. Mr. Cheah has held key positions in multi-national companies such as Kiwi Brands (M) Sdn. Bhd. and Guinness Anchor Marketing Sdn. Bhd. He was also the National Sales Manager of Socma Trading (M) Sdn. Bhd. (a subsidiary of PSC Ltd in Singapore) in charge of selling and distribution of Mentos in Malaysia.

Mr. Cheah does not hold directorships in other public companies and listed companies. He currently holds directorships in the subsidiary companies of Asia Brands Berhad.

Mr. Cheah does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He is a shareholder of the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Cheah attended all five (5) Board meetings held for the financial year ended 31 March 2017.

Key Management

Lee Yik Loong *(Group Chief Operating Officer)*

Male, aged 41, Malaysian, was appointed to his current position in April 2014. Mr. Lee is responsible for the Group's overall daily operations and execution of business strategies.

Mr. Lee graduated from Flinders University of South Australia with a Bachelor of Economics in 1998 and started his career with Guinness Anchor Marketing Sdn Bhd as Area Sales Manager. Prior to joining the Group, Mr. Lee was attached to Nestle Products Sdn Bhd for 12 years where he held various leading positions in the company. Mr. Lee has extensive eperience in sales and operation field covering areas such as trade marketing, product distribution and sales operations management.

Mr. Lee does not hold directorships in other public companies and listed companies. Mr. Lee does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Lee Yean Fung *(Group Chief Operating Officer)*

Female, aged 45, Malaysian, joined the Group in October 1997 as Marketing Executive and was promoted to various leadership roles throughout the years. She was appointed as the Chief Executive Officer of B.U.M. Marketing (Malaysia) Sdn.Bhd. in 2013, before assuming her current role in November 2014.

Ms. Lee graduated with a Bachelor of Business Administration from the University of Central Oklahoma, USA. Ms. Lee has been involved in the lingerie industry for the past 15 years covering various roles including sales operations, trade marketing, retail and procurement. Prior to joining the Group, Ms. Lee was attached to General Label & Labelling Malaysia, a company involved in printing and labelling industry.

Ms. Lee does not hold directorships in other public companies and listed companies. She currently holds directorships in the subsidiary companies of Asia Brands Berhad. Ms. Lee does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Daniel Kok Tai Meng *(Chief Financial Officer)*

Male, aged 50, Malaysia, joined the Group in February 2009 as Senior Finance Manager and was promoted to his current position in 2011.

Mr. Kok is a fellow-member of the Association of Chartered Certified Accountants, United Kingdom, and also a member of the Malaysian Institute of Accountants. He is responsible for the Group's overall financial health and position as well as providing key analysis to drive value added decision making to the group's corporate strategies. Mr. Kok started his career as an auditor with Lim, Cheh and Chang Public Accountants. He later joined L'Oreal Malaysia Sdn. Bhd. where he gained exposure in finance, business operations and controlling. Subsequently, he joined F&N Coca Cola Sdn. Bhd. overlooking commercial controls for Modern Trade Divison.

Mr. Kok does not hold directorships in other public companies and listed companies. He currently holds directorships in the subsidiary companies of Asia Brands Berhad. Mr. Kok does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Corporate Information

BOARD OF DIRECTORS

Ng Chin Huat
(Chairman/ Non Independent Non-Executive Director)
Cheah Yong Hock
(Group Chief Executive Officer)
Kong Sau Kian
(Senior Independent Non-Executive Director)
Lim Kim Meng
(Independent Non-Executive Director)

AUDIT COMMITTEE

Chairman:
Kong Sau Kian

Members:
Ng Chin Huat
Lim Kim Meng

NOMINATION AND REMUNERATION COMMITTEE

Chairman:
Lim Kim Meng

Members:
Ng Chin Huat
Kong Sau Kian

SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)

REGISTERED AND BUSINESS OFFICE

Lot 10449, Jalan Nenas,
Batu 4½, Kampung Jawa,
41000 Klang, Selangor Darul Ehsan.
Tel: 03-5161 8822
Fax: 03-5161 2728
Email: info@asiabrands.com.my
Website: www.asiabrands.com.my

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
(Company No. 36869-T)
Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur,
Wilayah Persekutuan.
Tel: 03-2084 9000
Fax: 03-2094 9940

SOLICITORS

K. H. Tai & Co.
Kadir Andri & Partners

BANKERS

Malayan Banking Berhad
RHB Bank Berhad
Ambank (M) Berhad
AmIslamic Bank Berhad
Al Rajhi Banking & Investment Corporation (M) Berhad
Kenanga Investment Bank Berhad

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad

STOCK CODE AND STOCK NAME

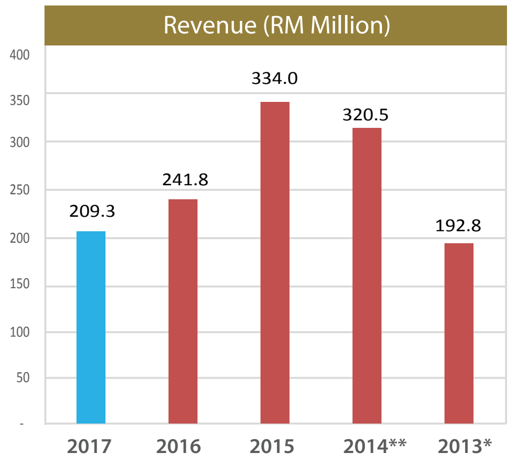
Stock Code: 7722
Stock Name: ASIABRN

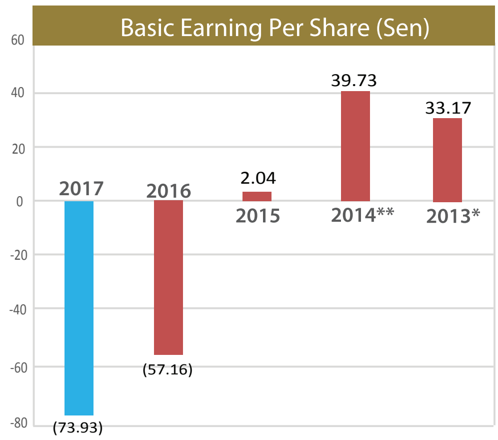
AUDITORS

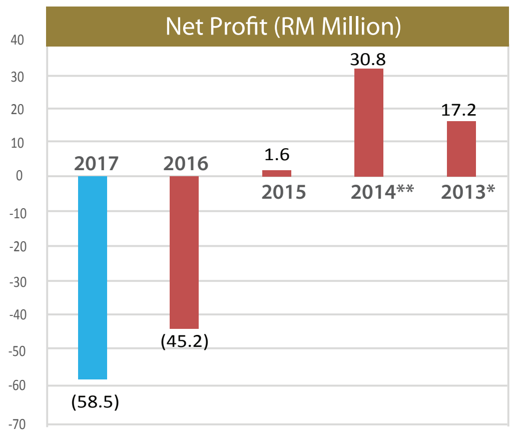
UHY (AF 1411)
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur,Wilayah Persekutuan.
Tel: 03-2279 3088
Fax: 03-2279 3099

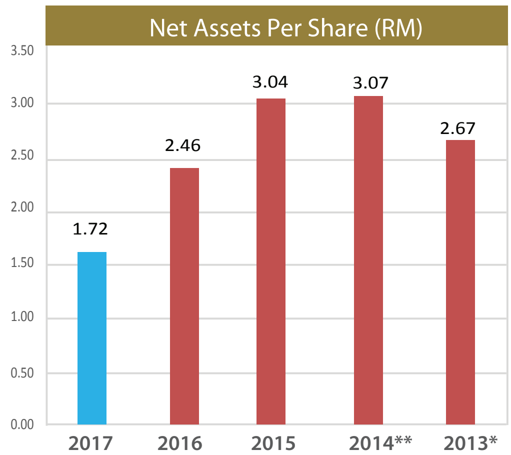
RM'000	2017	2016	2015	2014**	2013*
Revenue	209,263	241,821	334,006	320,464	192,774
Net (Loss) / Profit	(58,494)	(45,222)	1,614	30,811	17,200
Paid-up Share Capital	79,117	79,117	79,117	79,117	71,925
Shareholders' Funds	136,163	194,658	240,276	242,617	191,761

Per share	2017	2016	2015	2014**	2013*
Basic (Loss) / Earnings (sen)	(73.93)	(57.16)	2.04	39.73	33.17
Gross Dividend (sen)	-	-	0.5	5.0	5.0
Net Assets (RM)	1.72	2.46	3.04	3.07	2.67









* During the financial year the Company issued of 30,137,615 units of ordinary shares on 30/11/2012.

** During the financial year, the Company issued of 7,192,400 units of ordinary shares on 19/6/2013.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of Asia Brands Berhad for the financial year ended (FYE) 31 March 2017.

Corporate Development

In September 2016, the Group announced the disposal of one of its subsidiary company, B.U.M. Marketing (Malaysia) Sdn. Bhd. ("BMSB") to Trackland Sdn. Bhd. for a total consideration of RM14.4 million to be satisfied entirely by cash. The sale was fully completed on 6 March 2017. BMSB comprised several notable brands namely Antioni, Bontton, BUM Equipment, Diesel and Union Bay.

BMSB continued to suffer from intense competition and the decision to sell the loss-making division was taken with careful deliberation considering the business was the foundation of the Group since its inception in 1974. After suffering an accumulated loss before tax of RM22.5 million over the last two financial years, the Group foresee that it could not stand any meaningful return of investment in the future and as such, the Group could no longer support the turnaround of this subsidiary.

Industry Outlook

Despite another challenging set of macroeconomic indicators in the coming year, the Group is optimistic that the worst is over. We have put in place the right strategy to revive the Group's fortune and we are hopeful that this shall bear fruit in the immediate future.

Going forward, we remain committed to our turnaround plan by putting continuous effort to reduce our inventory, improve outlet productivity and rationalize our sales mix.

Dividend

The Board had deliberated and decided not to propose any dividend at the forthcoming Forty-Second Annual General Meeting.

Board Commitment

The Board continues to uphold and implement high standard of corporate governance and corporate social responsibility across the Group. Details of the corporate governance disclosure and activities of corporate social responsibility are disclosed in the relevant sections of the annual report.

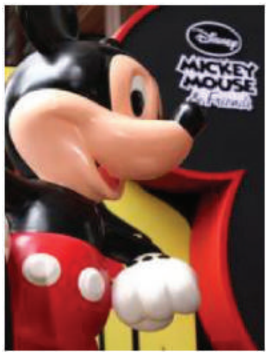
We value the diverse mix of skills, experience, knowledge and competencies of the Board and will continue to drive better performance for the Group.

Acknowledgment and Appreciation

I would like to take this opportunity to thank everyone involved for their continued excellence and outstanding work during the past year. My appreciation extends to my fellow Directors, customers, collaboration partners and suppliers, bankers, advisors and shareholders for their continous support.

Last but not least, I would like to extend my profound gratitude and wholehearted acknowledgment to the staffs of B.U.M. Marketing (Malaysia) Sdn. Bhd. for their dedication and hard work. I hereby wish all of them the very best in their future undertakings.

Ng Chin Huat
Chairman



Anakku

Disney baby

Hello Kitty

Animation World

Audrey

LILIAN

FIRSTCARE™

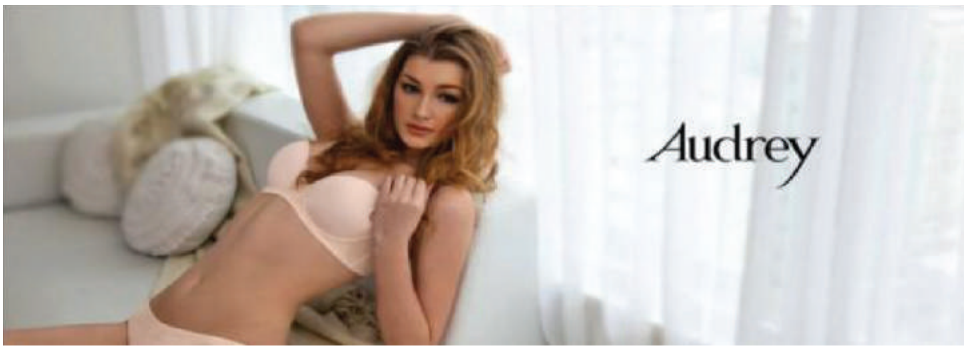
Baby Palace

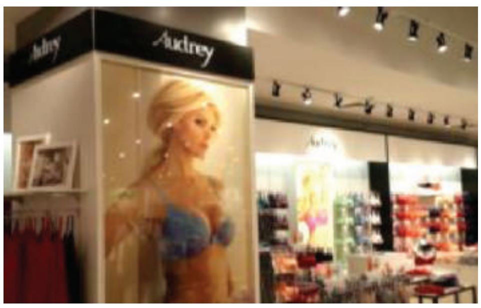
bras & things

bras for less

Kawaii かわいい

cottonshop





Business Overview

Retail brands, departmental stores and shopping malls in Malaysia are facing a very tough operating environment. The overall consumer business has come under pressure due to a confluence of factors, like oversupply of retail space, lower tourist arrivals, weakness in domestic retail spend, lacklustre consumer sentiment, intense competition from foreign brands and e-commerce, and changing consumer preferences and behaviour.

The Group has identified three main areas of concern:
- remaining relevant to our target consumers
- rising cost of doing business
- addressing the e-commerce conundrum

The disposal of one of our main business divisions - casualwear, during the year under review, signalled the intention of the Group to return to profit level by focussing on the remaining two business divisions - Baby and Innerwear.

Financial Review

The Group recorded a revenue of RM209.3 million, representing a decrease of 13.4% over RM241.8 million in the previous year. The lower revenue was due to closure of non-performing outlets and counters during the financial year.

Against the backdrop of poor market sentiment, steep sales discounts offered by competitors and higher cost of goods due to a weakened Ringgit, we recorded a loss before tax of RM69.5 million as compared to a loss before tax of RM45.2 million for the corresponding period last year. The major contributing factor to the loss was due to the casualwear business division. During September 2016, the Group announced the disposal of B.U.M. Marketing (Malaysia) Sdn. Bhd. to Trackland Sdn. Bhd. for a total consideration of RM14.4 million to be satisfied entirely by cash.

As a result of the disposal, the Group wrote off, marked down and impaired inventory amounting to RM20.0 million and provided impairment of bad debts amounting to RM6.2 million. The loss on disposal of investment in a subsidiary and other assets amounted to RM6.7 million.

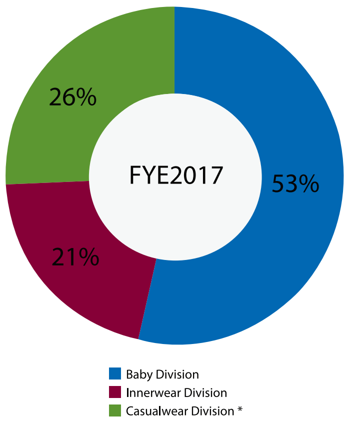
Loss per share was at 73.93 sen for the financial year under review as compared to loss per share of 57.16 sen in the previous year. Total shareholders fund stands at RM136.2 million for the year compared to RM194.7 million last year.

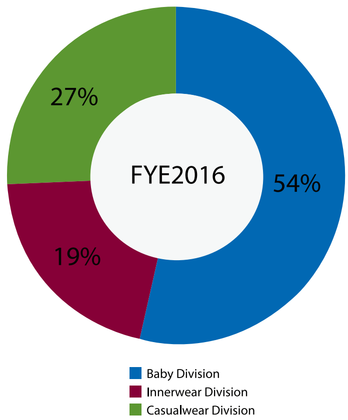
Total borrowings includes the Islamic Term Notes (Sukuk) Programme of RM130 million of which the Group have met its first repayment of RM10 million in this financial year. Finance cost recorded at RM9.4 million as compared to RM10.3 million for the corresponding period last year.

Segmental Review

The Group is principally engaged in the operation of retailing and distribution of baby apparels with related products, lingerie with related products and casualwear with related products.

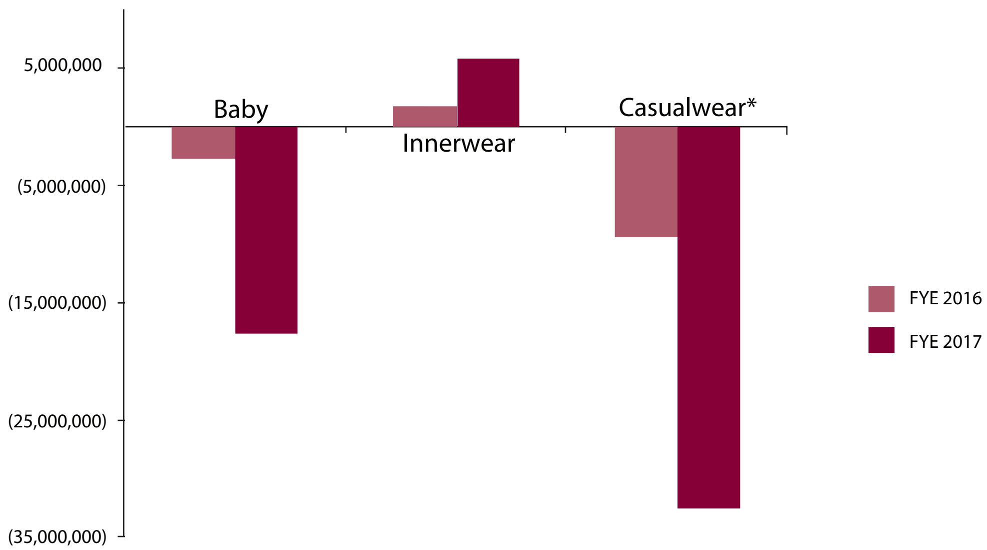
Revenue review by segment





	FYE2017		FYE2016	
	(RM'000)	%	(RM'000)	%
Baby Division	112,013	53%	129,055	54%
Innerwear Divsion	43,524	21%	43,516	19%
Casualwear Division *	53,726	26%	69,250	27%
Total	209,263	100%	241,821	100%

Earnings or Loss Before Interest, Tax, Depreciation and Amortisation ("EBITDA" or "LBITDA") review by segment



	FYE2017	FYE2016
	(RM'000)	(RM'000)
Baby Division	(17,584)	(2,668)
Innerwear Divsion	5,746	1,712
Casualwear Division *	(32,383)	(9,420)
Total	(44,221)	(10,376)

** Casualwear division is 11 months to February 2017*

Baby Division

The baby division remained as the Group's biggest revenue contributor. For FYE2017, revenue dropped 13.2% to RM112.0 million from RM129.1 million last year. The division registered a LBITDA of RM17.6 million compared to a LBITDA of RM2.7 million for the same period last year.

Taking cue from the last financial year, management continued to streamline the business and reduce financial losses. We closed down underperforming outlets which resulted in a drop in revenue. For the financial year, we closed down 29 stand-alone outlets and 78 departmental store consignment outlets. We have remaining 106 stand-alone outlets, 222 departmental store consignment outlets and 2 large foamt stores as at 31 March 2017. At the same time, we have also discontinued many licensed brands such as *Doraemon, Manchester United, Nuby and Playgro,* which resulted in full inventory impairment amounting to RM4.9 million taken up during the year under review. Total inventory stands at RM47.6 million as compared to RM53.7 million last year for this division.

The market outlook for baby products remained stable as the number of newborns in the country is relatively buoyant at around 500,000 per annum according to the Department of Statistics. We hope to develop further inroads in the export market and e-commerce. On this front, we have signed a new distributorship with Grandtop Marketing Brunei in an effort to further strengthen Anakku franchise in Brunei.

	Number of Stores
consignment outlets	**222**
stand-alone outlets	**106**
large format stores	**2**

Number of Consignment & Stand-alone Stores

Innerwear Division

For FYE2017, revenue remained at RM43.5 million compared to last year. The division registered an EBITDA of RM5.7 million compared to an EBITDA of RM1.7 million for the same period last year.

For the financial year, we closed down 14 stand-alone outlets and 41 departmental store consignment outlets. We have remaining 49 stand-alone outlets and 180 departmental store consignment outlets as at 31 March 2017. Total inventory stands at RM15.1 million as compared to RM17.0 million last year.

The market outlook for lingerie remained stable and we are optimistic that this division willl continue to out perform.

	Number of Stores
consignment outlets	**180**
stand alone outlets	**49**

Number of Consignment & Stand-alone Stores

Casualwear Division

The biggest challenge we had in the casualwear division was our failure to address relevance to consumers in an ever changing retail landscape. With brands such as *Antioni, BUM Equipment, Bontton, Diesel and Manchester United*, we started with a plan to rejuvenate and re-introduce these fashion brands to a younger audience four years ago. We spent millions to open specialised boutique stores in high traffic malls with the intention of securing a strategic retail imprint in the process.

However, the entire plan did not meet its desired outcome or the success that we hoped for. The retail expansion and brand rejuvenation was least to say, ill-timed. Weakening consumer spend, rising cost of doing business and most critically - intense competition from many fast-fashion retailers, both local and foreign, plunged the division into red.

With a LBIDTA of RM9.4 million last year and the eventual LBIDTA of RM32.4 milion this year, the Group could no longer support the turnaround of this division. By choosing to dispose off the casualwear business, the Group could re-focus its time and resources on the other two remaining divisions.

Risk Exposure and Mitigations

The Group's major business operations are the retailling and distribution industry that is subject to the following major risks that may have a material effect on the Group's operations, performance, financial condition and liquidity:

a) General economic condition;
b) Changes in law, by-laws and/or government policy which affect trade, retail and distribution industry;
c) Changes in credit policy and fluctuation of bank interest rates; and
d) Shortage of skilled business operators and movement in cost of goods leading to increasing cost.

The Management will constantly monitor the development and changes in the conditions of the consumer markets and plan our product launches / promotions accordingly to avoid holding high level of stock.

The Group will also take proactive measures to maintain its competitiveness through reasonably priced quality products that meet customers' expectation.

Opportunities and Challenges

The general retail malaise that started post-GST in 2015 had remained but the Group takes cognizance that we had succesfully streamlined our business by disposing off loss-making divisions and re-channelling management time and energy to turnaround the remaining two divisions.

We expect rental rates to remain soft this year, which may translate to opportunity for the Group to secure tenancy at good retail locations without overpaying for them. Another initiative which we had put in place is to negotitiate for temporary lease or 'pop-up' stores in order to take advantage of retail oversupply and the availability of space in shopping malls.

E-commerce is fast gaining traction and we expect this channel to continue to grow at rapid pace this year. Currently contribution from this channel to the Group's overall business remains negligible but we believe e-commerce is a relevant distribution platform going forward.

Our team is positive to deliver better results albeit the challenges in economic conditions both locally and abroad. We are ready to take on the effort to aggressively promote our baby and lingerie brands. At the same time, we will continue to look for opportunities in the export market for future business expansion.

At **Asia Brands**, we believe that Corporate Social Responsibility (CSR) should be a long-term commitment and a seamless culture within a corporation. Not only should companies practice accountability, honesty and transparency in the conduct of their businesses, they should also uphold a fair degree of social responsibility in contributing towards the well-being of their employees as well as the welfare of the community as a whole.

HUMAN CAPITAL

The Group recognises the importance of our employees as the most valuable asset. The Group constantly conducts various in-house and external training programs to enhance technical competencies as well as supervisory leadership skills in order to develop a competent workforce.

This year was no different, we organised team building programmes for various divisions, which helped the participants to develop teamwork and leadership skills. We believe such team building sessions can benefit the Group's productivity as well as the well-being of our employees and the community. Medical and hospitalisation insurance are subscribed annually to cover employees' health screening and medical needs.

ENVIRONMENT SUSTAINABILITY

The Group strives to maintain a safe and healthy working environment for all the employees. Preventive procedures and programs such as fire evacuation exercises and safety trainings are conducted from time to time to create a high level of safety awareness among the employees. Inspection of the office buildings, including warehouses, are conducted regularly to prevent fire and industrial accidents. Employee engagement in energy efficiency and carbon reduction can help change behaviour in the workplace. This is a another initiative we took to reduce unnecessary energy consumption and cut the organisation's carbon emissions and costs.

COMMUNITY

Asia Brands understands the importance of maintaining a responsible role as a corporate member in the conduct of its business and in fulfilling its corporate and social obligations. We recognise our responsibility to make a positive impact in the community which we operate in. Realising this we always work on integrating CSR as part of the Group's business activities and we try to instil a culture of social responsibility in all aspects of our business dealings. During the year, the Group's philanthropic activities were focused on two core thematics – EDUCATION and COMMUNITIES.

Contributions to Orphanage Homes and Community Charity
Asia Brands sponsored a Majlis Berbuka Puasa for orphans of Rumah Kasih Sayang (RKS) Bandar Tasik Puteri in June 2017. RKS Bandar Tasik Puteri was established in 2005 with the objective of creating a home to orphans in Rawang. Todate, it has raised 77 orphans, age ranging from 4 to 12 years old. We also sponsored goods for a charity fundraising aimed at helping single mothers at Charity Fund Fair in Taman SEA in May 2017.

MARKETPLACE

We held an annual Business Operators Conference ("BOC") in February 2017 with 30 of our top business operators in the country. These operators are our close business partners whom we worked very closely with throughout the years. As part of the self-leadership education track in BOC, we engaged with our business operators to explore and improve their self leadership mastery via intensive team-building sessions during which, they participated in high-impact learning activities to improve team-management skills and communications skills.

Cyber Crimes Program
Cyber Crimes Program is a an on-going education program throughout Malaysia organised by Onemyr Awareness Management. The program, which started 4 years ago, aims to equip Malaysian youth with ICT knowledge and to mould them into smarter technology users. Asia Brands sponsored shirts for students from Maktab Rendah Sains MARA (MRSM) Pekan, Pahang, MRSM FELDA Trolak, Perak and Politeknik Sultan Abdul Mizan Zainal Abidin, Terengganu, who participat-ed in this program.

GROWTH
going out of our
comfort zones

CORPORATE SOCIAL RESPONSIBILITY

The true spirit
EMPOWER
grit and tenacity

Director's Responsibility Statement In Relation To The Financial Statements

The financial statements of the Company and Group have been drawn up in accordance with the provisions of the Companies Act 2016, applicable financial reporting standards and approved accounting standards in Malaysia. The Directors take responsibility in ensuring that the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2017 and of the results and the cash flows of the Group and the Company for the financial year ended.

In preparing the financial statements for the financial year ended 31 March 2017, the Directors have:-

- ensured that the Group and the Company have adopted the appropriate accounting policies and applied them consistently;
- made reasonable and prudent judgements and estimates;
- ensured that all applicable approved accounting standards in Malaysia have been followed; and
- prepared the financial statements on a going concern basis.

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

The Directors have overall responsibilities for taking such steps that appropriate systems are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board of Directors ("the Board") of Asia Brands Berhad ("ABB" or the "Company") is committed to uphold the high standards of corporate governance in conducting the affairs of the Company and its subsidiaries ("the Group") in discharging its responsibilities with integrity, transparency and professionalism as a fundamental part to protect and enhance long-term shareholders value. The Board commits to ensure that a sound framework of best practices of good corporate governance as prescribed in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") is generally implemented and in place at all levels of the Group's businesses to protect and enhance long-term shareholders' value and all stakeholders' interest.

The Board is pleased to report to the shareholders that the best practices of good governance having regards to the Recommendations stated under each Principle in the MCCG 2012, have generally been practiced within the Group throughout the financial year ended 31 March 2017.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

(a) Establish Clear Functions Reserved for the Board and Those Delegated to Management

The Board is responsible for the stewardship of business and affairs of the Company in order to enhance long-term shareholders' value. The Board is fully aware and understand their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation with an optimal corporate governance framework in order to safeguard shareholders' value.

The Executive Directors are directly responsible for the day-to-day management of the business and operations, for procuring new business and for the commercial and corporate performance of the Company within the parameters of good governance. Non-Executive Directors play a vital check and balance role by challenging and scrutinising Management recommendations and proposals in an objective manner and bringing independent judgement to the decision making process at the Board and Board Committee levels.

Reserved matters for Board's decision making includes strategic issues and planning, significant acquisition and disposal, dividend policy, risk management, significant property transactions, review of the financial statements, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

(b) Establish Clear Role and Responsibilities

In line with the practice of good governance, the Board is responsible for establishing the Group's goals and strategic directions, setting goals and targets for Management and monitoring the achievement of goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

In discharging its obligations on behalf of the shareholders, the Board assumes responsibility in the following areas:-

(i) review and adopt the business plan and overall strategic directions for the Company and to establish Company goals and ensure that the strategies are in place to achieve them;

(ii) ensure that a comprehensive system of policies and procedures is operative;

(iii) ensure ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the Company's own governing documents and codes of conduct;

(iv) define levels of materiality, reserve specific powers to the Board and delegate other matters with the necessary written authority to management and instituted effective mechanisms that ensure Board responsibility for management performance of its functions;

(v) be aware of, and commit to, the underlying principles of good governance and that compliance with corporate governance principles is reviewed regularly;

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

(b) Establish Clear Role and Responsibilities (cont'd)

(vi) approve specific financial and non-financial objectives and policies proposed by management relevant to the business;

(vii) ensure that the Company's financial statements are true and fair and conform to any applicable laws and/or regulations;

(viii) review processes for the identification and management of business risk and processes for compliance with key regulatory and legal areas and ensure the implementation of appropriate systems to manage risks;

(ix) delegate authority for capital expenditure and review investment, capital and funding proposals are reserved for Board approval;

(x) review succession planning for the Management team and endorse senior executive appointments, organisational changes and high level remuneration issues;

(xi) provide oversight of performance against targets and objectives;

(xii) provide oversight of reporting to shareholders on the direction, governance and performance of the Company as well as other processes that need reporting and other disclosure requirements;

(xiii) review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and

(xiv) decide on necessary steps to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and to ensure that such steps are taken.

Any member of the Board may request for independent professional advice in the discharge of his/her fiduciary duties by forwarding a request to the executive director of the Company who will then direct the same to an external service provider. The expenses incurred in this connection shall be borne by the Company.

(c) Directors' Code of Conduct and Ethics

The Directors continue to observe and commit a Code of Conduct & Ethics ("the Code") based on the code of conduct expected of directors of companies as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, and ensure implementation of appropriate internal systems to support, promote and ensure the compliance of the Directors' Code of Ethics & Conduct.

The Board will periodically review and reassess the adequacy of the Code, and make such amendments to the Code as the Board may deem appropriate. The Code is available at the Company's website at ***www.asiabrands.com.my***.

The Company has yet to have a whistle-blowing policy to provide an avenue for all employees and members of the public to disclose any improper conduct or any action that could be harmful to the Group. Nevertheless, the Code contains provisions which encourage all employees to report any genuine concerns without fear of intimidation and reprisal. The Company also has a strong corporate culture which prizes team spirit, integrity, commitment, and accountability.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

(d) Promote Sustainability

The Board has a formalised plan on promoting sustainability in developing its corporate strategies, taking into account the impact on the environmental, social, cultural and governance aspects of business operations. The Board also encourages management transparency by engaging in an open culture and two-way communication that encourages employee participation in every aspect of operational processes.

The Corporate Social Responsibility statement is set out in this Annual Report.

(e) Supply of and Access to Information

The regular agendas for Board meetings are the briefing by the Audit Committee Chairman on the outcome of Audit Committee meeting(s), review of periodic financial results, briefing by the Group Chief Executive Officer on the business aspects, briefing on the corporate social responsibility activities, notation of circular resolutions passed, announcements made to Bursa Malaysia Securities Berhad and dealings in securities by Directors and principal officers, if any.

Relevant Board papers were disseminated to all the Directors at least three (3) working days in advance of the meeting so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company, or to consult independent advisers, if they deemed necessary. As part of the integrated risk management initiatives, the Board also noted the decisions and salient issues deliberated by Board Committees through minutes of these committees. Board meetings are conducted in accordance to a structured agenda.

Senior Management staff were invited to attend any Board meetings to provide their views and explanation on certain items of the agenda being tabled to the Board and to furnish clarification on issues that may be raised by the Directors.

In the furtherance of their duties, where necessary, the Directors may, whether collectively as a Board or in their individual capacities, have access to all information within the Group, to seek advice from independent professional advisors at the Group's expense and access to the advice and services of the Company Secretaries.

(f) Company Secretaries

Every Director has ready and unrestricted access to the advice and services of the Company Secretaries in ensuring the effective functioning of the Board. The Directors were regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements issued by regulatory authorities, and its implications to the Company and the Directors in relation to their duties and responsibilities.

The duties of the Company Secretaries amongst others are as follows:-

- Statutory duties as required under the Companies Act 2016, Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Capital Market and Services Act, 2007;
- Attending all Board and Board Committees meetings;
- Ensuring the proceedings of Board and Board Committee meetings and decisions made there of are accurate;
- Ensuring all appointments and resignations of directors are in accordance with the relevant legislation and/or regulations;
- Rendering advice and support to the Board and Management;
- Maintaining records for the purpose of meeting statutory obligations;
- Facilitating the conduct of the assessments to be undertaken by the Board and/ or Board Committees as well as compile the results of the assessments of the Board and/ or Board Committees for information; and
- Assisting the Board with the preparation of announcements for release to Bursa Securities and Securities Commission Malaysia.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

(f) Company Secretaries (cont'd)

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretary under Section 235(2)(a) of the Companies Act 2016.

For the financial year ended 31 March 2017, the Company Secretaries have attended the relevant continuous professional development programmes as required by MAICSA for practicing company secretaries. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.

(g) Board Charter

The Board has adopted a Board Charter, which provides guidance on how business is to be conducted in line with best practices and standards of good corporate governance as well as clarity for Directors and Management with regard to the role of the Board and its Committees.

The Board Charter entails the followings:-

- Roles and Responsibilities of the Board;
- Delegation to Committees;
- Process and Procedure for Board Meetings;
- Board and Member Assessment;
- Communication between Board and Shareholders;
- Management of Risk; and
- Structure.

The Board Charter is subject to periodic review and can be accessed via the Company's website at ***www.asiabrands.com.my***.

PRINCIPLE 2: STRENGTHEN COMPOSITION

(a) Board Committee

To assist the Board in carrying out its duties and responsibilities, the Board has established the following Committees of the Board, each with clearly defined Terms of Reference in order to enhance corporate efficiency and effectiveness:-

(i) Audit Committee; and
(ii) Nomination and Remuneration Committee.

- **Audit Committee**

The Audit Committee assists and supports the Board's responsibility to oversee the Group's operations by providing a mean for review of the Group's processes in producing financial data, its internal controls, risk management activities and independence of the Group's external and internal auditors. The role of the Audit Committee and the number of meetings held during the financial year as well as the attendance record of each member are set out in the Audit Committee Report in this Annual Report.

The Audit Committee also ensures the independence of the external auditors during the conduct of the audit engagement.

PRINCIPLE 2: STRENGTHEN COMPOSITION (cont'd)

(a) Board Committee (cont'd)

- **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ("NRC") comprises three (3) Directors, the majority of whom are Independent Non-Executive Directors of the Company. The members of the NRC are as follows:

Lim Kim Meng	Independent Non-Executive Director	Chairman
Kong Sau Kian	Senior Independent Non-Executive Director	Member
Ng Chin Huat	Non-Independent Non-Executive Director	Member

The principal objectives of the NRC are:-

(i) to assist the Board to nominate new nominees to the Board;
(ii) to assist the Board to oversee the selection and assess the performance of the Directors of the Company on an on-going basis; and
(iii) to assist the Board to assess the remuneration packages of the Group Chief Executive Officer.

The NRC also oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, independence assessment of Independent Directors, reviews succession plans and boardroom diversity; oversees training courses for directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

The NRC also recommends to the Board, the policy framework and remuneration and benefits extended to the Group Chief Executive Officer. Non-Executive Directors' remuneration is a matter to be decided by the Board as a whole, with the Directors concerned abstaining from deliberation and voting in respect of their remuneration.

Summary of Activities of the NRC

During the financial year ended 31 March 2017, the main activities carried out by the NRC included the following:-

- Recommended the re-election of retiring Director at the forthcoming Annual General Meeting.
- Evaluated the effectiveness of the Board as a whole and of the Committees of the Board and the contribution and performance of each individual Directors and key officers.
- Developed the following criteria amongst others to assess the independence of the Independent Directors:-

  - the Independent Directors fulfill the definition of an independent director as set out under Paragraph 1.01 of Main LR of Bursa Securities.

  - the Independent Directors are able to exercise independent judgement and act in the best interest of the Company.

  - there must be no potential conflict of interest that the Independent Directors could have with the Company as they had not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Main LR of Bursa Securities .

  - the Independent Directors have not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Non-Executive Chairman and Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with their duties expected of them to carry out their duties as an Independent Director.

  - the Independent Directors do not derive any remuneration and benefits apart from Directors' fees.

PRINCIPLE 2: STRENGTHEN COMPOSITION (cont'd)

(b) Appointments to the Board

With respect to nomination and election process of new Directors, the responsibilities of the NRC and the criteria used are as follows:-

- to evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NRC shall:-

  (i) consider candidates from a wide range of backgrounds;
  (ii) consider candidates on merit, against objective criteria with due regard for the benefits of diversity on the Board, including gender; and
  (iii) ensure that once appointed, appointees have enough time available to devote to the position of director.

- for the appointment of a Chairman, the NRC shall consider the expected time commitment. A proposed Chairman's other significant commitments should also be disclosed to the Board before the appointment, and any changes thereto should be reported to the Board.

- prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest in relation to the Company, and shall be required to report any future business interests which may develop post-appointment, that could result in a conflict of interest.

(c) Re-election of Director

The Articles of Association of the Company provide that at every annual general meeting, one-third (1/3) of the Directors including the Managing Director, shall retire from office provided always that all Directors shall retire at least once in every three (3) years. A retiring Director shall be eligible for re-election.

Upon recommendation by the NRC and the Board of the Company, Mr. Ng Chin Huat shall retire at the forthcoming Forty-Second Annual General Meeting of the Company and being eligible, had offered himself for re-election.

(d) Gender Diversity

The Board does not have any gender, ethnicity and age diversity policies and targets or any set measures to meet any target. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial, gender, ethnicity or age bias.

The Board will consider establishing a policy formalising its approach to boardroom diversity to ensure that women candidates are sought as part of its recruitment exercise for the future.

(e) Annual Assessment of Board Effectiveness

The NRC conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Directors in respect of the financial year ended 31 March 2017 using customised questionnaires to be completed by the Directors. The results of the self-assessment by Directors and the Board's effectiveness as a whole were tabled to the NRC and the Board for review.

The criteria for Director's evaluation covers areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. For Board and Board Committee assessment, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance. The Board studied the results of evaluation and is generally satisfied with its current size, composition, as well as the mix of skill sets and the independence of its Independent Non-Executive Directors.

PRINCIPLE 2: STRENGTHEN COMPOSITION (cont'd)

(f) Board Remuneration Policies and Procedures

The Board has a formal procedure to determine the remuneration of each Director which is reviewed from time to time against market practices. The Board ensures that the level of remuneration is sufficient to attract and retain Directors needed to run the Group successfully. The component part of remuneration has been structured to link rewards to corporate and individual performance for Group Chief Executive Officer whilst Non-Executive Directors' remuneration reflects their experience and level of responsibilities.

The NRC is responsible for recommending the remuneration packages of the Group Chief Executive Officer to the Board.

The remuneration received by the Directors for the financial year ended 31 March 2017 is set out in the Notes to the Financial Statements. The Company opts not to disclose the remuneration of individual directors as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance.

The details of the remuneration package for Executive Directors and Directors' fee and benefit for the Non-Executive Directors during the financial year ended 31 March 2017 are disclosed in this Annual Report.

Number of Directors whose remuneration falls into the following bands are as follows:

	Number	
Amount	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM400,000 - RM450,000	1	-

PRINCIPLE 3: REINFORCE INDEPENDENCE

(a) Annual Assessment of Independence of Directors

The Board assessed the independence of the Independent Non-Executive Directors, taking into account the individual Director's ability to exercise independent judgment at all times and their contribution to the effective functioning of the Board, and is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interest of the Company.

Based on the assessment carried out during the financial year ended 31 March 2017, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management of the Group. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives and monitor the risk profile of the Company's business and the reporting of quarterly business performance.

(b) Tenure of Independence of Directors

Based on the current composition of the Board, the tenure of each Independent Director had not exceeded a cumulative term of nine (9) years.

PRINCIPLE 3: REINFORCE INDEPENDENCE (cont'd)

(c) Separation of Position of the Chairman and Chief Executive Officer

There is a clear division of responsibilities between the Chairman and the Group Chief Executive Officer to ensure that the Board remains balanced at all times.

The roles and responsibility of the Group Chief Executive Officer is distinct, separate and clearly defined. The Group Chief Executive Officer is the conduit between the Board and the Management in ensuring the effectiveness of the Company's governance and management functions. The Group Chief Executive Officer is responsible for the day-to-day management of the Company with all powers and discretion vested in him, from time to time, by the Board. All Board authority conferred on Management is delegated through the Group Chief Executive Officer so that the authority and accountability of management is considered to be the authority and accountability of the Group Chief Executive Officer so far as the Board is concerned.

(d) Board Composition and Balance

The Directors, collectively and individually, are aware of their fiduciary duties and responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board provides stewardship to the Group's strategic direction and operations and ultimately the enhancement of long-term shareholders' value.

The current Board comprises four (4) Directors, out of which, one (1) is Executive Director, one (1) Non-Independent Non-Executive Director, one (1) Senior Independent Non-Executive Director and one (1) Independent Non Executive Directors, thus, fulfilling the requirement of at least one-third (1/3) of the Board comprises independent directors.The Articles of Association of the Company provides that the number of Directors shall not be less than two (2) and not more than twenty (20). The Board believes that its current structure is able to discharge the Board's priorities objectively with the balance of power and authority on the Board.

The profiles of the Directors are set out in this Annual Report.

The Board is chaired by a Non-Independent Non-Executive Director. The Non-Executive Directors are independent of management and have no relationships that could materially interfere with the exercise of their independent judgment. Together, the Directors have wide range of experience in business, corporate, banking and financial experience.

The Board is of the opinion that the composition of the current Board has the required mix of skills and experience required to discharge the Board's duties and responsibilities. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole.

The Board is free to discuss all matters regarding the affairs of the Group, without any restrictions or limitations being imposed on any Director. Where matters discussed involve the interest of the Chairman, he shall state his interest and shall refrain from discussions and decision-making.

No individual or a company of individuals dominates the Board's decision making.

All the Directors have an equal responsibility for the Group's operations and corporate accountability. The Independent Non-Executive Directors play a vital supporting role by contributing their knowledge and experience towards the development of the Group's objectives. They also provide a broader and independent view in the decision-making process.

PRINCIPLE 4: FOSTER COMMITMENT

(a) Time Commitments

The Board meets at least four (4) times a year at quarterly intervals with additional Board meetings convened when necessary. Sufficient notice periods were given to the Board prior to each meeting. During the financial year under review, the Board convened five (5) meetings and the attendance of the Directors are as follows:-

Directors	No. of Meetings attended
Ng Chin Huat	5/5
Cheah Yong Hock	5/5
Kong Sau Kian	5/5
Lim Kim Meng	5/5

All the Directors complied with the minimum 50% attendance requirements in respect of Board meetings held during the financial year ended 31 March 2017 as stipulated under Paragraph 15.05 of the Main LR of Bursa Securities.

The Company Secretaries record minutes of meetings and conclusions by the Board in the discharge of their duties and responsibilities.

(b) Directors' Training

All the Directors have attended and successfully completed the Mandatory Accredition Programme as prescribed by the Main LR of Bursa Securities for directors of public listed companies.

During the financial year ended 31 March 2017, the Directors attended the following training, briefing and workshops :-

Directors	Seminars/Briefing/Workshop attended
Ng Chin Huat	• MRA Retail Talk Series 2016 #1 – Service Excellence • MRA Retail Talk Series 2016 #2 – Innovation-The Future of Work
Cheah Yong Hock	• Lean Manufacturing in Some Malaysia Companies • Green box-In addition to Will & Trust, What other important steps/ precaution you need to take care • Perception of Reality/8 Roles of Effective CEOs • What is Chelation & Its Benefit to our Personal Health • Asean Economic Community(AEC) & TransPacific Partnership Agreement (TPPA) • Opportunity Capture
Kong Sau Kian	• Sustainable Development Conference
Lim Kim Meng	• The Essence of Independence • The Cyber Security Threat and How Board should Mitigate the Risk

The Directors will continue to attend relevant trainings and education programmes in order to keep themselves abreast of the latest development in the economy, industry and technology and discharge their duties and responsibilities more effectively.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

(a) Compliance with Applicable Financial Reporting Standards

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board take responsibility to present a balanced and meaningful assessment of the Group's position and prospect and to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable accounting standards in Malaysia. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Responsibility Statement by the Directors pursuant to the Main LR of Bursa Securities is set out in this Annual Report.

In addition to the above, the Company also undertook an independent assessment of the internal control system and the Audit Committee has been assured that no material issue or major deficiency had been detected which posed a high risk to the overall internal control under review.

(b) Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. The Audit Committee meets with the external auditors to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings was held without the presence of the Group Chief Executive Officer and the Management. The Audit Committee also meets with the external auditors additionally whenever it deems necessary.

PRINCIPLE 6: RECOGNISE AND MANAGE RISK

(a) Sound Risk Management Framework and Internal Control System

The Board regards risk management and internal controls as an integral part of the overall management processes. The framework of the risk management encompasses the following key elements:-

- Risks identified were individually assessed and ranked as either extreme, high, medium or low based on their respective magnitude of impact and likelihood of occurrence within the Group; and

- Individual risk profiles created from the above assessment were endorsed by the Board and subsequently cascaded to Senior Management of the Group for implementation of action plans required to mitigate or maintain the risk impact of the Group at an acceptable level.

The risk management framework is regularly reviewed by the Management and relevant recommendations are made to the AC and Board for approval.

The internal control are tested for effectiveness and efficiency two cycles per financial year via an indepedent outsourced internal audit function following risk-based approaches.

(b) Internal audit function

The Directors acknowledged their responsibility in maintaining a reasonable sound system of internal controls covering financial, operational and compliance and risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out is tabled to the Audit Committee.

The Group's Statement on Risk Management and Internal Control is disclosed in this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALIT DISCLOSURE

(a) Corporate Disclosure Policies and Procedures

The Company recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Company aims to build long term relationship with shareholders and potential investors through appropriate channels for the management and disclosure of information.

The Company mainly communicates with its shareholders, stakeholders and the public through press releases, timely announcements and disclosures made to Bursa Securities.

(b) Leverage on Information Technology for Effective Dissemination of Information

The Company's corporate website provides all relevant information on the Company and is accessible by the public. It includes announcements made by the Company to Bursa Securities and annual reports of the Company as well as the corporate and governance structure of the Company.

The quarterly financial results were announced via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

(a) Dialogue between Companies and Investors

The Board recognises the importance of timely dissemination of information to shareholders and other interested parties to ensure that they are well informed of all major developments of the Group. Such information is communicated through various disclosures and announcements to the Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases. This information may be assessed from the website of Bursa Securities at ***"www.bursamalaysia.com.my"***. In addition, interviews conducted from time to time by local journalists with the management of the Group are reported in the local newspapers and information on the Group and its business activities is available at the Company's website at ***www.asiabrands.com.my***.

The Company's website incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by the public. This Investor Relations section enhances the Investor Relations function by including analyst reports, all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.

(b) Poll Voting

In line with Recommendation 8.2 of the MCCG 2012, the Chairman informs the shareholders of their right to demand a poll vote at the commencement of all general meetings.

Further to the recent changes to the Main LR issued by Bursa Securities on 25 March 2016 on the requirement for poll voting for any resolution set out in the notice of general meetings which will apply for general meetings held on or after 1 July 2016, the Company will explore providing facilities for poll voting via electronic means to expedite verification and counting of votes.

(c) Shareholder Communication Policy

The Board has put in place a Shareholder Communication Policy to facilitate the effective exercise of those rights by ensuring that the Company communicates effectively with its shareholders.

This Policy aims to promote effective communication with shareholders and encourage effective participation by shareholders at the Company's general meetings. To ensure a high quality of communication and level of clarity with all investors and other stakeholders, whilst complying with its statutory disclosure obligations, the Company endeavors to provide shareholders with ready and widespread access on a timely basis to matters that affect their investment in the Company; communicate in a clear, accurate and easy to understand manner with investors and other stakeholders.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (cont'd)

(c) Shareholder Communication Policy (cont'd)

The communication channels for shareholders are as follows:-

(i) Corporate Website

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. The Company's website ***(www.asiabrands.com.my)*** has a dedicated "Investor Relations" section which carries the following information:-

- Corporate Profile;
- Brands Divisions;
- Financial information including share information, dividend history and other financial performance data;
- Company's Annual Report is available on its website and contains important information about the Company's activities and results for the previous financial year;
- Announcement released by the Company to Bursa Malaysia Securities Berhad such as financial statements, results announcements, circulars and relevant explanatory documents;
- Press releases regarding the corporate function, marketing activities and community services provided or carried out by the Group; and
- Relevant press releases, financial data and investment presentation for the preceding years of the Company.

(ii) Shareholders' Meeting

Annual general meetings and other general meetings of the Company is the primary forum for communication with shareholers. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend, speak and vote at meeings for and on their behalf if they are unable to attend the meetings.

(iii) Shareholders' Enquiries

Shareholders and investors may at any time request for the Company's public information. The Company provides a designated email address (info@asiabrands.com.my) for shareholders to make any query.

(iv) Annual Report

Annual Report is the key communication channels for all the shareholders. The Annual Report is made easily available to shareholders and other stakeholders in a timely manner. Shareholders can elect to receive a hard copy or an electronic copy of the Annual Report.

The Shareholders Communication Policy will be reviewed regularly by Management to ensure that it reflects current regulatory, community and investor requirements.

(d) Annual General Meeting

The Annual Report is sent to the shareholders at least twenty-one (21) days prior to the date of the meeting. At each meeting, shareholders are able to participate in the question and answer session in respect of the matters listed in the Notice of Annual General Meeting. There is no time limitation for shareholders to raise questions and to solicit reply from the Board.

Barring any unforeseen circumstances and upon making due and reasonable enquiry into the affairs of the Group, the Board firmly believes that the Group shall continue to operate as a going concern business in the foreseeable future.

This Statement of Corporate Governance is made in accordance with a resolution of the Board dated 30 June 2017.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises the following members:-

Kong Sau Kian	*Chairman / Senior Independent Non- Executive Director*
Lim Kim Meng	*Member / Independent Non-Executive Director*
Ng Chin Huat	*Member / Non- Independent Non-Executive Director*

MEETINGS

The number of Audit Committee meetings held during the financial year ended 31 March 2017 and the attendance of each Audit Committee member are as follows:-

	No. of Meetings attended
Kong Sau Kian	5/5
Lim Kim Meng	5/5
Ng Chin Huat	5/5

ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is to oversee the Company's financial reporting process, corporate governance process and provide the Board with assurance of the quality and reliability of financial information used by the Board and of the financial information issued publicly by the Company. The Audit Committee assumes the following fundamental responsibilities in the Company:-

- assessing the risks and control environment;
- overseeing financial reporting;
- evaluating the internal and external audit processes; and
- reviewing conflict of interest situations and related party transactions.

The Terms of Reference of the Audit Committee are available at the Company's website at ***www.asiabrands.com.my***.

SUMMARY OF ACTIVITIES

During the financial year ended 31 March 2017, the Audit Committee carried out its duties as set out in its Terms of Reference. The main activities carried out by the Audit Committee are as follows:-

- Reviewed all the unaudited quarterly reports on consolidated financial results of the Company and Group during the financial year ended 31 March 2017 before tabling to the Board for consideration and approval.

- Reviewed the reports and the audited financial statements of the Company and of the Group prior to tabling to the Board for approval.

- Reviewed the Audit Planning Memorandum of the external auditors in respect of the audit for the financial statements of the Company and the Group for the financial year ended 31 March 2017.

- Reviewed and discussed the external auditors' audit report and areas of concern highlighted in the management letter, including Management's response to the concerns raised by the external auditors.

- Evaluated the performance of the external auditors and made recommendations to the Board on their reappointment and remuneration.

- Questioned Management as to whether they are any recurrent related party transactions or related party transaction within the Group on a quarterly basis.

SUMMARY OF ACTIVITIES (cont'd)

- Discussed the significant accounting and auditing issues, affecting the Group, namely:-

  - Inventories;
  - Repeat order;
  - Lump code;
  - Recoverability of trade receivable; and
  - Impairment assessment on intangible assets.

- Met with the external auditors without the presence of the Management.

- Reviewed the internal audit plan, programme of resource requirement for the year and assessed the performance of the internal auditors, reviewed the internal audit reports, which highlighted the audit issues, recommendations and the Management's responses and directed action to be taken by the Management to rectify and improve the system of internal control.

- Monitored the implementation of recommendations made by the internal auditors arising from its audits in order to obtain assurances that all key risks and control concerns have been fully addressed.

INTERNAL AUDIT FUNCTION

The Audit Committee is aware of the fact that an adequately resourced internal audit function is essential to provide independent and objective advice on the effectiveness of the Group's internal controls to the Audit Committee and thereafter to the Management.

For the financial year ended 31 March 2017, the Company has an Internal Audit Department which reports directly to the Audit Committee, and assist the Audit Committee in monitoring and evaluating the adequacy, efficiency and effectiveness of the risk management, Company's internal control and governance processes in anticipating key business process exposure to risk.

The internal auditors assessed and evaluated the adequacy of the risk management practices, operational controls, compliance with regulatory requirements, Management efficiency to ensure that the internal control system is sound and satisfactory. The internal auditors carried out audits in accordance with the internal audit plan approved by the Audit Committee and other significant areas recommended by the Management to the Audit Committee. The results of the internal audit reviews and recommendations for enhancement of existing controls were presented at Audit Committee meetings.

This report is made in accordance with a resolution of the Board dated 30 June 2017.

The Malaysian Code on Corporate Governance 2012 ("MCCG 2012") requires the Board of Directors to establish and maintain a sound system of risk management and internal control to safeguard shareholders' investment and assets of the Group.

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board to disclose in the annual report, the state of the Group's risk management and internal control system. For preparation of this Statement, the Board took into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies.

Board's Responsibilities

The Board is committed to maintain an effective system of internal controls to safeguard the shareholders' investment and the Group's assets.

The Board is responsible for the Group's system of internal control and risk management, which include the establishment of an appropriate control environment and framework as well as reviewing the adequacy and integrity of maintaining a sound system of risk management and internal control. The control structure and process which has been established throughout the Group include governance, risk management, financial, organizational, operational and compliance control.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year and is subject to regular review by the Board. However, in view of the limitations inherent in any system of risk management and internal control, the system is designed to provide reasonable but not absolute assurance against material misstatement or loss, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The process it has applied to deal with material internal control aspects of any significant problems will disclosed in the annual report and financial statements, if any.

Senior Management will assist the Board in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information, designing, operating suitable internal controls to manage and control risks and monitoring effectiveness of risk management and control activities.

Risk Management Framework

The Board's primary objective and direction in managing the Group's principal business risks are to enhance the Group's ability to achieve its business objective. The risk management framework encompasses the following key elements:-

- Risks identified were individually assessed and ranked as either extreme, high, medium or low based on their respective magnitude of impact and likelihood of occurrence within the Group; and

- Individual risk profiles created from the above assessment were endorsed by the Board and subsequently cascaded to Senior Management of the Group for implementation of action plans required to mitigate or maintain the risk impact of the Group at an acceptable level.

Statement of Internal Control

The following elements of the system of internal controls are present in the Group:

- **Strategic Business Direction**
  The Group's business objectives are communicated throughout the organisation through its Business Plan, management meetings and interaction between the Group Chief Executive Officer, management and employees.

- **Risk Identification**
  The Board is fully aware of the principal risks faced by the Company and Group and has put in place the appropriate controls to identify, evaluate and manage these risks through the involvement of the Group Chief Executive Officer in the day-to-day operations of the Group. The performance of the Company and Group is monitored through strategic, management and operational level meetings. Significant matters identified during these meetings are highlighted to the Board on a timely basis.

Statement of Internal Control (cont'd)

- **Audit Committee**

  The Audit Committee is tasked with responsibilities on accounting and reporting practices, review of internal and external audit reports, and ensuring the adequacy of administrative, operating and accounting controls. The Board reviews the minutes of meetings of Audit Committee. The Terms of References of the Audit Committee are set out in the Company's website at ***www.asiabrands.com.my***.

- **Internal Audit Function**

  The Company has an Internal Audit Department who reports to the Audit Committee. The Audit Committee reviews the annual internal audit plan, which was co-developed by the Internal Audit Department and management. Applying a risk-based approach, periodic internal audit visits have been carried out to review the adequacy and integrity of key internal controls of the Group's business to provide an independent assurance on the systems of internal control.

- **Policies and Procedures**

  Continuing from the last financial period's Group-wide restructuring efforts and review of the cash management process, the internal audit function carried out a business process review for inventories movement during the financial ended 31 March 2017.

- **Organisation Structure**

  The current organisational structure enables a clear reporting line from lower management level up to the Board. Job functions and areas of responsibilities of certain employees are outlined in job descriptions and authority chart. The Group practices an "open-door" policy that allows matters to be identified and resolved in a timely and efficiently manner.

Additional key features of the Company's system of internal controls include the following:

- Internal control procedures are set out in a series of standard operating policies and procedures. These procedures are the subject of regular reviews and improvements to reflect changing risks or to resolve operational deficiencies.
- Audit Committee holds regular meetings with management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management.
- Preparation of quarterly and yearly financial results; and key business indicators, as announced or otherwise published to shareholders.
- Meetings involving the Group Chief Executive Officer, senior management and heads of department are regularly held and any significant matters are escalated to the Board.

The Board together with the management will continuously assess the suitability, adequacy and effectiveness of the Group's system of internal controls and will take corrective measures to enhance the system, as and when necessary.

Assurance Provided by the Group Chief Executive Officer and Chief Financial Officer

In line with the Guidelines, the Group Chief Executive Officer and Chief Financial Officer have provided assurance to the Board that the Group's risk management and internal control system have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

Review of this Statement

The External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 March 2017, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

Conclusion

The Board is of the view that the Group's risk management and internal control systems are in place for the year under review, and up to the date of approval of this Statement, is sound and adequate to safeguard the shareholders' investment, the interests of customers, regulators, employees and other stakeholders, and the Group's assets. Notwithstanding this, on-going reviews are continuously carried out to ensure the effectiveness of the system. The Board is committed towards operating a sound system of internal controls and effective risk management throughout the Group. The Board is also cognisant of the fact that the system of internal controls and risk management practices must continuously evolve to support the type of business and size of operations. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal controls.

This statement is made in respect of the financial year ended 31 March 2017 and in accordance with a resolution passed on 30 June 2017.

1) **Status of utilisation of proceeds raised from any corporate proposal**

The Company did not undertake any fund raising corporate exercise during the financial year.

2) **Audit and Non-audit fees**

The amount of audit fees and non-audit fees incurred by the Company and the Group for the financial year ended 31 March 2017 are as follows:-

	Company	Group
Audit Fees	RM50,500	RM157,500
Non-Audit Fees	RM9,500	RM115,500

The non-audit fee incurred above comprised mainly tax fee and IT audit fee.

3) **Material contracts entered into by the Company and subsidiary companies with Directors and/or major shareholders**

There were no material contracts involving the interests of Directors or major shareholders that are still subsisting.

4) **Contracts relating to loan with Directors and/or major shareholders**

There were no contracts relating to a loan by the Company and/or its subsidiary companies involving Directors and/or major shareholders during the financial year under review.

This report is made in accordance with a resolution of the Board of Directors dated 30 June 2017.

FINANCIAL STATEMENTS

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements.

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

Financial Results

	Group RM	Company RM
Loss for the finanacial year attributable to owners of the Company	58,493,653	32,861,529

Reserves and Provisions

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares and debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors in office during the financial year until the date of this report are as follow:-

Ng Chin Huat
Cheah Yong Hock
Kong Sau Kian
Lim Kim Meng

Directors' Interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year at end as recorded in the Register of Directors' Shareholdings are as follow:

	Number of ordinary shares			
	AT 1.4.2016	Bought	Sold	AT 31.3.2017
Interests in the Company				
Direct interests :				
Cheah Yong Hock	625,600	-	-	625,600
Indirect interests :				
Ng Chin Huat (a)	45,139,477	2,098,000	-	47,237,477
Interests in the holding company				
Direct interests :				
Ng Chin Huat	1	-	-	1
Indirect interests :				
Ng Chin Huat (b)	1	-	-	1

(a) Deemed interest by virtue of interests held by Everest Hectare Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

(b) Deemed interest by virtue of interests held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of his interest in the shares of the Company, Ng Chin Huat is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

Neither during nor at the end of the financial year, was the Group or the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in , or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity given to or insurance effected for Directors and Officers of the Group and of the Company are RM12,873.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

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

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

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

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; or

(iv) 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.

(c) 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.

(d) In the opinion of the Directors:

(i) no contingent liability 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 and of the Company to meet their obligations when they fall due;

(ii) 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, except as disclosed in the notes to the financial statements; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Holding Company

The holding company is Everest Hectare Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Notes 5 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are set out in Note 25 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 June 2017.

NG CHIN HUAT	**CHEAH YONG HOCK**

KUALA LUMPUR

Statement By Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 48 to 102 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 37 to the financial statements on page 103 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 June 2017.

NG CHIN HUAT

CHEAH YONG HOCK

KUALA LUMPUR

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, KOK TAI MENG, being the Officer primarily responsible for the financial management of ASIA BRANDS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 48 to 103 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 30 June 2017.

KOK TAI MENG

Before me,
MOHAN A.S. MANIAM
W 710
COMMISSIONER FOR OATHS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ASIA BRANDS BERHAD, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 102.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial statements, which indicates that the Group and the Company incurred a net loss of RM58,493,653 and RM32,861,529 respectively during the financial year ended 31 March 2017 and, as of that date, the Group and the Company had a net current liabilities of RM47,251,848 and RM26,284,548 respectively. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that there is a material uncertainty on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
Impairment assessment on goodwill and intangible assets with indefinite life Please refer to Note 2(d) Significant Accounting Judgements, Estimates and Assumptions, Note 3(j) Significant Accounting Policies and Note 6 Intangible Assets. The carrying values of goodwill and intangible assets of the Group as at 31 March 2017 are RM30.9 million and RM131.0 million respectively. Goodwill and intangible assets with indefinite life are subject to annual impairment testing. We focused on these areas as the determination of recoverable amounts of cash-generating-unit based on value-in-use calculations by management involved a significant degree of judgement and assumptions.	Our procedures performed in relation to management's impairment assessment and testing included the following: • Assessed the reliability of management's forecast through the review of past trends of actual financial performances against previous forecasted results; • Assessed the key assumptions on which the cash flow projections are based, by amongst others, comparing them against business plans, historical results and market data; • Evaluated the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset. • Performed sensitivity analysis on key assumptions to evaluate impact on the impairment assessment; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on the procedures performed, we noted no significant exceptions.
Inventories valuation and provision The carrying amount of finished goods of the Group as at 31 March 2017 is RM62.7 million. As described in the Accounting Policies in Note 3(h) to the financial statements, inventories are carried at the lower of cost and net realisable value. Assessing valuation of inventories is an area of significant judgement as there is a risk in estimating the net realisable value of the inventories, as well as assessing which items may be slow-moving or obsolete. Due to the significance of inventories and the corresponding uncertainty inherent in such an estimate, we considered this as a key audit matter. Please refer to Note 2(d) Significant Accounting Judgements, Estimates and Assumptions and the disclosures of inventories in Note 8 to the financial statements.	Our audit procedures included, amongst others: • Reviewing the historical ageing of inventories; • Checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at financial year end in selected locations; • Identifying and assessing a sample of aged and obsolete inventories; • Analysing the level of slow-moving inventories and the associated provision; • Testing the expected volume and price of future sales of inventories by reviewing the price of a sample of inventories sold after the balance sheet date; • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the financial year; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on the above procedures performed, we did not note any significant exceptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

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

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

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 on page 103 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 Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

The financial statements of the Group and of the Company for the financial year ended 31 March 2016 were audited by another auditor who expressed an unmodified opinion with emphasis of matter on these statements on 15 July 2016.

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

UHY
Firm Number: AF 1411
Chartered Accountants

LAI WONG CHUNG
Approved Number: 3277/08/18(J)
Chartered Accountant

KUALA LUMPUR
30 June 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-Current Assets					
Plant and equipment	4	9,620,741	19,180,355	5,750	74,750
Investments in subsidiary companies	5	-	-	243,535,800	261,008,498
Intangible assets	6	161,904,868	169,143,243	-	-
Deferred tax assets	7	11,915,000	-	-	-
		183,440,609	188,323,598	243,541,550	261,083,248
Current Assets					
Inventories	8	62,701,818	136,265,583	-	-
Trade receivables	9	37,615,108	50,751,860	-	-
Other receivables	10	11,000,745	16,107,097	9,368	7,261
Amounts due from subsidiary companies	11	-	-	-	608,800
Tax recoverable		7,179,386	7,841,993	12,663	9,916
Fixed deposits with licensed banks	12	5,484	4,120,345	5,484	5,345
Cash and bank balances	13	13,565,830	5,761,701	24,775	15,050
		132,068,371	220,848,579	52,290	646,372
Total Assets		315,508,980	409,172,177	243,593,840	261,729,620
EQUITY					
Share capital	14	130,430,601	79,117,214	130,430,601	79,117,214
Reserves	15	5,733,460	115,540,500	86,826,401	171,001,317
Total equity attribute to owners of the Company		136,164,061	194,657,714	217,257,002	250,118,531
LIABILITIES					
Non-Current Liabilities					
Finance lease payable	16	-	3,712	-	3,712
Deferred tax liabilities	7	24,700	26,000	-	-
		24,700	29,712	-	3,712
Current Liabilities					
Trade payables	17	16,664,613	17,383,110	-	-
Other payables	18	7,131,236	9,213,710	194,081	230,211
Amounts due to subsidiary companies	11	-	-	22,774,045	4,190,397
Amounts due to holding company	19	20,103,658	18,965,000	3,365,000	7,165,000
Finance lease payable	16	3,712	21,769	3,712	21,769
Islamic medium term notes	20	120,000,000	130,000,000	-	-
Bank borrowings	21	15,417,000	38,901,162	-	-
		179,320,219	214,484,751	26,336,838	11,607,377
Total Liabilities		179,344,919	214,514,463	26,336,838	11,611,089
Total Equity and Liabilities		315,508,980	409,172,177	243,593,840	261,729,620

The accompanying notes form an integral part of the financial statements.

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Continuing operations					
Revenue	22	165,551,254	173,371,581	-	18,000,000
Cost of Sales		(98,521,090)	(88,034,936)	-	-
Gross Profit		67,030,164	85,336,645	-	18,000,000
Other income		4,327,942	826,308	348,579	394,764
Selling and distribution expenses		(105,041,717)	(94,548,604)	-	-
Administrative expenses		(8,943,147)	(10,212,713)	(33,209,364)	(14,334,810)
(Loss)/Profit from operation		(42,626,758)	(18,598,364)	(32,860,785)	4,059,954
Finance costs		(7,716,537)	(7,224,586)	(683)	(244,982)
(Loss)/Profit before taxation		(50,343,295)	(25,822,950)	(32,861,468)	3,814,972
Taxation	23	11,050,389	(96,583)	(61)	(19)
(Loss)/Profit from continuing operations		(39,292,906)	(25,919,533)	(32,861,529)	3,814,953
Discontinued operation					
Loss from discontinuing operation, net of tax	24	(19,200,747)	(19,303,205)	-	-
(Loss)/Profit for the financial year attributable to:					
Owners of the Company	25	(58,493,653)	(45,222,738)	(32,861,529)	3,814,953
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(58,493,653)	(45,222,738)	(32,861,529)	3,814,953
Loss per share	26				
Basic and diluted loss per ordinary share (sen):					
from continuing operations		(49.66)	(32.76)		
from discontinuing operations		(24.27)	(24.40)		
		(73.93)	(57.16)		

The accompanying notes form an integral part of the financial statements.

Group	Note	Share Capital RM	Share Premium RM	Retained Profits RM	Total RM
		Attributable to Owners of the Parent			
		<—Non - Distributable—>		Distributable	
At 1 April 2016		79,117,214	51,313,387	64,227,113	194,657,714
Adjustments for effect of Companies Act 2016	14	51,313,387	(51,313,387)	-	-
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	(58,493,653)	(58,493,653)
At 31 March 2017		130,430,601	-	5,733,460	136,164,061
At 1 April 2015		79,117,214	51,313,387	109,845,437	240,276,038
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	(45,222,738)	(45,222,738)
Transactions with owners: Dividend	28	-	-	(395,586)	(395,586)
At 31 March 2016		79,117,214	51,313,387	64,227,113	194,657,714
Company					
At 1 April 2016		79,117,214	51,313,387	119,687,930	250,118,531
Adjustments for effect of Companies Act 2016	14	51,313,387	(51,313,387)	-	-
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	(32,861,529)	(32,861,529)
At 31 March 2017		130,430,601	-	86,826,401	217,257,002
At 1 April 2015		79,117,214	51,313,387	116,268,563	246,699,164
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	3,814,953	3,814,953
Transactions with owners: Dividend	28	-	-	(395,586)	(395,586)
At 31 March 2016		79,117,214	51,313,387	119,687,930	250,118,531

The accompanying notes form an integral part of the financial statements.

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash Flows From Operating Activities				
(Loss)/Profit before taxation from:				
- Continuing operations	(50,343,295)	(25,822,950)	(32,861,468)	3,814,972
- Discontinuing operations	(19,200,747)	(19,386,005)	-	-
	(69,544,042)	(45,208,955)	(32,861,468)	3,814,972
Adjustments for:				
Bad debts written off on trade receivables	563,405	430	-	-
Waiver of debt on subsidiary	-	-	(40,829)	-
Depreciation of plant and equipment	7,027,668	8,937,535	69,000	69,000
Impairment losses on:				
- Investments in subsidiary companies	-	-	7,472,700	13,527,000
- Trade receivables	4,070,103	7,254,648	-	-
- Other receivables	7,117,149	1,814,842	6,226,229	-
- Amount due from subsidiaries	-	-	3,143,500	4,000
- Goodwill	-	5,163,529	-	-
Interest expense	9,374,310	10,258,818	683	244,982
Inventories written down	16,781,319	134,930	-	-
Inventories written off	8,265,498	3,978,627	-	-
Plant and equipment written off	639,815	896,864	-	-
Dividend income	-	-	-	(18,000,000)
Loss on disposal of trademark	735,438	-	-	-
Gain on disposal of plant and equipment	(661,829)	(1,042)	-	-
Loss on disposal of subsidiaries	5,980,308	-	15,591,391	-
Interest income	(284,942)	(213,446)	(245)	(15,696)
Reversal of impairment losses on				
- trade receivables	(7,851,800)	(1,088,395)	-	-
- other receivables	(748,281)	-	-	-
Operating loss before working capital changes	(18,535,881)	(8,071,615)	(399,039)	(355,742)
Changes in working capital				
Inventories	41,787,045	30,730,488	-	-
Receivables	5,305,046	25,356,889	(6,228,336)	64,825
Payables	3,817,569	(36,737,968)	(36,130)	1,314
Related party	-	(356,357)	-	-
	50,909,660	18,993,052	(6,264,466)	66,139
Cash generated from /(used in) operations	32,373,779	10,921,437	(6,663,505)	(289,603)
Interest paid	(9,374,310)	(10,258,818)	(683)	(244,982)
Income tax paid	(943,898)	(1,330,744)	(2,808)	(11,435)
	(10,318,208)	(11,589,562)	(3,491)	(256,417)
Net cash generated from/(used in) operating activities	22,055,571	(668,125)	(6,666,996)	(546,020)

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash Flows From Investing Activities				
(Advance)/Repayment from subsidary companies	-	-	(2,534,700)	14,474,751
Interest received	284,942	213,446	245	15,696
Dividend received	-	-	-	18,000,000
Purchase of plant and equipment	(1,013,702)	(2,781,752)	-	-
Net cash inflow/(outflow) on acquisition of a subsidiary company (Note 5)	-	339,087	(2)	-
Net cash inflow on disposal of subsidiary companies	13,648,698	-	14,408,609	-
Withdrawal/(Placement) of deposit with licensed bank	4,115,000	(4,115,000)	-	-
Proceeds from disposal of trademark	2	-	-	-
Proceeds from disposal of plant and equipment	1,081,030	1,887	-	-
Increase in investment in a subsidiary	-	-	(20,000,000)	-
Net cash generated from/(used in) investing activities	18,115,970	(6,342,332)	(8,125,848)	32,490,447
Cash Flows From Financing Activities				
Advance from/(Repayment to) holding company	1,138,658	(21,123,110)	(3,800,000)	(32,923,110)
Advance from/(Repayment to) subsidiary companies	-	-	18,624,477	(7,224,288)
Dividend paid	-	(395,586)	-	(395,586)
(Repayment)/Drawdown of Islamic medium term notes	(10,000,000)	30,000,000	-	-
Repayment of finance lease payable	(21,769)	(20,806)	(21,769)	(20,806)
Repayment of banker acceptances	(20,583,000)	(20,190,000)	-	-
Net cash used in financing activities	(29,466,111)	(11,729,502)	14,802,708	(40,563,790)
Net increase/(decrease) in cash and cash equivalents	10,705,430	(18,739,959)	9,864	(8,619,363)
Cash and cash equivalents at beginning of the financial year	2,865,884	21,605,843	20,395	8,639,758
Cash and cash equivalents at end of the financial year	13,571,314	2,865,884	30,259	20,395

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	13,565,830	5,761,701	24,775	15,050
Fixed deposits with licensed banks	5,484	4,120,345	5,484	5,345
Bank overdraft	-	(2,901,162)	-	-
	13,571,314	6,980,884	30,259	20,395
Less: Fixed deposits with licensed bank with maturity more than 3 months (Note 12)	-	(4,115,000)	-	-
	13,571,314	2,865,884	30,259	20,395

The accompanying notes form an integral part of the financial statements.

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business and the registered office of the Company are at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The holding company is Everest Hectare Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

2. Basis of Preparation

(a) Statement of Compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Annual Improvements to MFRSs 2012–2014 Cycle	

Adoption of above MFRS and amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

2. Basis of Preparation (Cont'd)

(a) Statement of Compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

	Effective dates for financial periods beginning on or after
Amendments to MFRS 112	
Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107	
Disclosure Initiative	1 January 2017
Annual Improvements to MFRS Standards 2014-2016 Cycle:	
• Amendments to MFRS 12 *Disclosure of Interests in Other Entities*	1 January 2017
• Amendments to MFRS 1 *First time Adoption of Malaysian Financial Reporting Standards*	1 January 2018
• Amendments to MFRS 128 *Investments in Associates and Joint Ventures*	1 January 2018
MFRS 9	
Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	
Revenue from Contracts with Customers	1 January 2018
Clarification to MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 2	
Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	
Applying MFRS 9 *Financial Instruments with* MFRS 4 *Insurance Contracts*	1 January 2018
IC Interpretation 22	
Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 140	
Transfers of Investment Property	1 January 2018
MFRS 16	
Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the abovementioned MFRSs, IC Interpretation and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company except as mentioned below:

MFRS 9 *Financial Instruments* **(IFRS 9 issued by IASB in July 2014)**

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group is in the process of assessing the impact of this Standard.

MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statements of cash flows.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 16 *Leases* (Cont'd)

Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3 and on the assumption that the Group and the Company are going concern.

During the financial year ended 31 March 2017, the Group and the Company incurred a net loss of RM58,493,653 (2016: RM45,222,738) and RM32,861,529 (2016: net profit of RM3,814,953) respectively and, as of that date, the Group and the Company had a net current liabilities of RM47,251,848 (2016: net current assets of RM6,363,828) and RM26,284,548 (2016: RM10,961,005) respectively. The Group had a net current liabilities due to the reclassification of Islamic Medium Term Notes ("IMTN") to current liability as a results of non-compliance with financial covenants as required in IMTN. The non-compliance of financial covenants as required is mainly due to losses incurred. These conditions indicate that there is a material uncertainty on the Group's and the Company's ability to continue as a going concern.

The Group and the Company are currently exploring various options to address these conditions, amongst which, include further streamlining of operations to achieve cost savings and increasing product fairs and products range to achieve higher revenue and better margins.

In view of the above, the appropriateness of preparing the financial statements on a going concern basis is dependent upon the successful execution of the abovementioned plans, continued support of banks and its holding company and the achievement of future profitable operations by the Group. Accordingly, the financial statements of the Group and of the Company do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgments, estimates and assumptions (Cont'd)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Key sources of estimation uncertainty

Useful lives of plant and equipment

The Group regularly reviews the estimated useful lives of plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment would increase the recorded depreciation and decrease the value of plant and equipment. The carrying amount at the reporting date for plant and equipment is disclosed in Note 4.

Going concern

As disclosed in Note 2(b) to the financial statements, judgement is made by the Directors whether the Group and the Company will be able to continue as a going concern. The financial statements of the Group and of the Company have been prepared on a going concern basis.

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 5.

Impairment of goodwill and trademarks

The Group tests annually whether goodwill and trademarks have suffered any impairment in accordance with the accounting policy in Note 3(j)(i) on impairment of non - financial assets. When value in use calculations are undertaken, management estimates the expected future cash flows from the cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions areappropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment losses. Further details of the key assumptions applied in the impairment assessment of goodwill and trademarks are given in Note 6.

Deferred tax assets

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 profit will be available against which the unused tax losses, unabsorbed 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. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 7.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgments, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of loans and receivables

For impaired receivables which are individually assessed, judgment by management is required in the estimation of the amount and timing of future cash flows in the determination of impairment losses. In estimating these cash flows, the Group and the Company consider factors such as significant financial difficulties of the receivables and default or significant delay in payments.

For receivables which are collectively assessed, judgments are made based on receivables portfolio data (e.g. credit quality, default rates, etc.), credit concentration and economic data in order to arrive at impairment levels appropriate to the portfolio.

The carrying amounts of the Group's and of the Company's loans and receivables at the reporting date are disclosed in Notes 9, 10 and 11 respectively.

Income taxes

Judgment 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 tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax 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.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a cIdentifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the i nvestment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred , non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets.

3. Significant Accounting Policies (Cont'd)

(b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life.

Computer equipment	30%
Display counters	20%
Office equipment	10%
Renovation	20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at each reporting period 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 plant and equipment.

(c) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3. Significant Accounting Policies (Cont'd)

(c) Leases (Cont'd)

As lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between 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 recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statements of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(d) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets for intangible assets.

3. Significant Accounting Policies (Cont'd)

(e) Financial assets

Financial assets are recognised on 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 assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition into loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(f) Financial liabilities

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

Financial liabilities are recognised on 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.

The Group and the Company classify their financial liabilities at initial recognition into the financial liabilities measured at amortised cost.

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

Financial liabilities are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

3. Significant Accounting Policies (Cont'd)

(f) Financial liabilities (Cont'd)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) Inventories

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

Cost is determined on the weighted average basis and comprises the purchase price and incidental costs incurred in bringing the inventories to their present location and condition.

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

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in 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 with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

3. Significant Accounting Policies (Cont'd)

(j) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss and investments in subsidiary companies are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets 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 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 defaults on receivables.

3. Significant Accounting Policies (Cont'd)

(j) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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 in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

(k) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(iii) Purchase of own shares

Where any company within the Group purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or re-issued. Where such ordinary shares are subsequently re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

(l) Provisions

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

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

3. Significant Accounting Policies (Cont'd)

(m) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(n) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised net of goods and service tax and discounts upon transfer of the significant risks and rewards of ownership to the buyer. In the case of consignment sales, revenue is recognised when the goods are sold by the consignee to a third party. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Dividend income

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

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. 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.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3. Significant Accounting Policies (Cont'd)

(o) Borrowing costs (Cont'd)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(p) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. Significant Accounting Policies (Cont'd)

(r) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not possible that there is an inflow of economic benefits, or the account cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(s) Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be
- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

(t) Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

3. Significant Accounting Policies (Cont'd)

(t) Fair value measurement (Cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1	:	quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2	:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	:	unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Plant and Equipment

Group	Computer Equipment RM	Display Counters RM	Office Equipment RM	Renovation RM	Motor Vehicles RM	Total RM
2017						
Cost						
At 1April	4,631,729	40,730,377	700,341	5,749,383	1,255,773	53,037,603
Additions	-	1,013,702	-	-	-	1,013,702
Disposals	-	(348,178)	-	-	(237,086)	(585,264)
Written off	(3,208,585)	(11,509,074)	(4,290)	(1,788,170)	-	(16,510,119)
Disposals of subsidiary	-	(9,635,186)	(327,402)	-	-	(9,962,588)
At 31 March	1,423,144	20,251,641	(368,649)	3,961,213	988,687	26,993,334
Accumulated depreciation						
At 1April	4,263,769	24,416,848	122,119	4,287,605	766,907	33,857,248
Charge for the financial year	211,574	5,806,086	67,293	743,651	199,064	7,027,668
Disposals	-	-	-	-	(166,063)	(166,063)
Written off	(3,200,640)	(10,882,998)	(1,152)	(1,785,514)	-	(15,870,304)
Disposals of subsidiary	-	(7,374,302)	(101,654)	-	-	(7,475,956)
At 31 March	1,274,703	11,965,634	86,606	3,245,742	799,908	17,372,593
Carrying amount						
At 31 March	148,441	8,286,007	282,043	715,471	188,779	9,620,741
2016						
Cost						
At 1April	4,431,319	41,086,664	282,030	5,862,484	1,002,978	52,665,475
Additions	200,410	1,940,236	418,311	-	222,795	2,781,752
Disposals	-	-	-	(2,925)	-	(2,925)
Written off	-	(2,296,523)	-	(110,176)	-	(2,406,699)
At 31 March	4,631,729	40,730,377	700,341	5,749,383	1,225,773	53,037,603
Accumulated depreciation						
At 1April	3,888,561	18,639,544	52,375	3,345,668	505,480	26,431,628
Charge for the financial year	375,208	7,213,123	69,744	1,018,033	261,427	8,937,535
Disposals	-	-	-	(2,080)	-	(2,080)
Written off	-	(1,435,819)	-	(74,016)	-	(1,509,835)
At 31 March	4,263,769	24,416,848	122,119	4,287,605	766,907	33,857,248
Carrying amount						
At 31 March	367,960	16,313,529	578,222	1,461,778	458,866	19,180,355

4. Plant and Equipment (Cont'd)

	Motor Vehicles RM
Company	
2017	
Cost	
At 1 April/31 March	345,000
Accumulated depreciation	
At 1 April	270,250
Charge for the financial year	69,000
At 31 March	339,250
Carrying amount	
At 31 March	5,750
2016	
Cost	
At 1 April/31 March	345,000
Accumulated depreciation	
At 1 April	201,250
Charge for the financial year	69,000
At 31 March	270,250
Carrying amount	
At 31 March	74,750

At 31 March 2017, the net carrying amount of leased plant and equipment of the Group and of the Company are as follows :

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Motor vehicles	5,750	74,750	5,750	74,750

Leased assets are pledged as security for the related finance lease liabilities (see Note 16).

5. Investments in Subsidiary Companies

	Company	
	2017 RM	2016 RM
Unquoted equity shares, at cost	271,098,098	281,098,096
Less: Allowance for impairment losses	(27,562,298)	(20,089,598)
	243,535,800	261,008,498

Movement in the allowance for impairment losses are as follows:-

	Company	
	2017 RM	2016 RM
At 1 April	20,089,598	6,562,598
Impairment loss recognised	7,472,700	13,527,000
At 31 March	27,562,298	20,089,598

During the current financial year, the Company conducted a review of the recoverable amounts of its investments in certain subsidiary companies of which its carrying amount of investments exceeded net assets of the respective subsidiary companies at the reporting date. The recoverable amounts were based on fair value less cost of disposal and value in use as described below:

Fair value less cost of disposal approach

The review gave rise to the recognition of an impairment loss of investment in subsidiary company of RM7,472,700 based on recoverable amounts of RM760,700. The impairment loss was recognised in 'administrative expenses' in statements of profit or loss and other comprehensive income. The recoverable amounts are determined using the fair value less costs of disposal approach, and this is derived using adjusted net assets of the respective subsidiary companies as at the end of the reporting period. The fair values are within level 3 of the fair value hierarchy.

Value in use approach

In previous financial year, an impairment loss of RM13,527,000 was recognised in 'administrative expenses' in statements of profit or loss and other comprehensive income.

The recoverable of RM239,790,500 as at 31 March 2016 was based on value in used and was determined at the level of the CGU which consists of baby wear and lingerie wear. Key assumptions are disclosed in Note 6 to the financial statements.

Included in the investments in subsidiary companies is RM183,300,000 (2016: RM188,300,000) pledged for credit facilities granted to a subsidiary company as disclosed in Note 20 to the financial statements.

5. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest 2017 %	Effective interest 2016 %	Principal activities
Direct holding:				
Diesel Marketing Sdn. Bhd. ("Diesel Marketing")	Malaysia	100	100	Dormant.
Ubay Marketing Sdn. Bhd. ("Ubay Marketing")	Malaysia	100	100	Retailing and distribution of "Union Bay" brand of ready made casual wear and related accessories and trading in baby and children wear, care and related products. The Company was dormant during the financial year.
Audrey Sdn. Bhd. ("AUSB")	Malaysia	100	100	Trading and retailing in lingerie and ladies wear, care and related products through Heavy Traffic Outlets ("HTO"), distributors as well as retailing boutique outlets.
Anakku Sdn. Bhd. ("AKSB")	Malaysia	100	100	Trading and retailing in baby wear, care and related products through HTO, distributors as well as retailing boutique outlets.
Asia Brands Global Sdn. Bhd. ("ABG")	Malaysia	100	100	Procuring baby and children wear, care and related products, lingerie and ladies wear for the trading and retail division and providing advertisement and promtional activities and export business . The Company was dormant during the financial year.
Antioni Sdn. Bhd. ("Antioni")	Malaysia	100	100	Dormant.
Asia Brands Assets Management Sdn. Bhd. ("ABAM")	Malaysia	100	100	Dormant.
Asia Brands HR Services Sdn. Bhd. ("ABHR")	Malaysia	100	100	Providing share services function including finance, human resources, IT, administrative and others.

5. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows (Cont'd):

Name of company	Country of incorporation	Effective interest 2017 %	Effective interest 2016 %	Principal activities
Direct holding (Cont'd):				
Bumcity Sdn. Bhd. ("Bumcity")	Malaysia	100	100	Dormant.
Mickey Junior Sdn. Bhd. ("MJSB")	Malaysia	100	100	Trading and retailing in baby and children wear, care and related products through HTO, distributors as well as retailing boutique outlets. The Company was dormant during the financial year.
Generasi Prestasi Sdn. Bhd. ("GPSB") (Note c)	Malaysia	100	-	Trading and retailing in baby and children wear, care and related products through HTO, distributors as well as retailing boutique outlets and providing sub-licensing.
Bontton Sdn. Bhd. ("Bontton") (Note a)	Malaysia	-	100	Dormant.
B.U.M. Marketing (Malaysia) Sdn. Bhd. ("BUMM") (Note b)	Malaysia	-	100	Trading and retailing in adult and children wear, care and related products through HTO, distributors as well as retailing boutique outlets.
Held through AKSB				
Baby Palace Sdn. Bhd. ("BPSB")	Malaysia	100	100	Trading and retailing in baby and children wear, care and related products through boutique outlets.
Generasi Prestasi Sdn. Bhd. ("GPSB") (Note c)	Malaysia	-	100	Trading and retailing in baby and children wear, care and related products through HTO, distributors as well as retailing boutique outlets and providing sub- licensng.
Held through BPSB				
Astra Brands Sdn. Bhd. ("ABSB")	Malaysia	100	100	Wholesale distribution of baby and infant products.

5. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows (Cont'd):

Name of company	Country of incorporation	Effective interest 2017 %	Effective interest 2016 %	Principal activities
Held through AUSB				
Generasi Dinasti Sdn. Bhd. ("GDSB")	Malaysia	100	100	Providing sub-licensing.
Held through BUMM				
Generasi Cerdas Sdn. Bhd. ("GCSB") (Note b)	Malaysia	-	100	Trading in adult wear, care and related products through HTO. The Company was dormant during the financial year.
Generasi Fesyen Aktif Sdn. Bhd. ("GFASB")(Note b)	Malaysia	-	100	Not commenced business since its incorporation.

Current Financial Year

Disposal of subsidiary companies

(a) On 1 October 2016, the Company disposed of its entire equity interest in Bontton for a cash consideration of RM2, which had resulted a gain of RM2.

The effect of the disposal of Bontton on the financial position of the Group as at the date of disposal was as follows:

	RM
Gain on disposal of subsidiary company	2
Sales proceeds from disposal of subsidiary company	2
Less: Cash and cash equivalents of subsidiary disposed	-
Net cash inflow on disposal of subsidiary	2

(b) On 6 March 2017, the Group disposed of its entire equity interest in BUMM and its subsidiaries. The details of the disposal are disclosed in Note 24.

5. Investments in Subsidiary Companies (Cont'd)

Current Financial Year (Cont'd)

Acquisition of subsidiary company

(c) On 1 September 2016, the Company acquired 1,000,000 ordinary shares of RM1 each representing 100% equity interest in GPSB, for a total cash consideration of RM2 from AKSB. As this represented an internal restructuring, the Group's effective equity interest remained unchanged.

Previous Financial Year

On 1 August 2015, the wholly-owned sub-subsidiary, BPSB acquired 100 ordinary shares of RM1 each, representing the entire equity interest in ABSB. Consequently, ABSB became a wholly-owned sub-sub subsidiary of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	Group 2016 RM
Inventories	10,394,470
Trade receivables	11,180,597
Other receivables	140,884
Amount owing by related party	8,629,170
Cash and bank balances	339,187
Trade payables	(16,229,948)
Other payables	(8,594,145)
Amount owing to related party	(3,644,644)
Amount owing to directors	(5,000,000)
Net identified liabilities	(2,784,429)
Add: Goodwill arising on consolidation	(2,784,529)
Total purchase consideration	100
Less: Cash and cash equivalents of subsidiary acquired	(339,187)
Net cash in flow on acquisition of subsidiary	(339,087)

The acquired subsidiary has contributed the following results to the Group:-

	Group 1.8.2015 to 31.3.2016 RM
Revenue	4,338,107
Loss after taxation	(5,604,688)

6. Intangible Assets

Group	Goodwill RM	Trademark RM	Total RM
Cost			
At 1 April 2015	33,283,868	140,592,775	173,876,643
Acquisition of a subsidiary	2,784,529	-	2,784,529
At 31 March 2016	36,068,397	140,592,775	176,661,172
Disposal during the year	-	(1,442,000)	(1,442,000)
Disposal of subsidiary	-	(8,150,775)	(8,150,775)
At 31 March 2017	36,068,397	131,000,000	167,068,397
Accumulated impairment loss			
At 1 April 2015	-	2,354,400	2,354,400
Impairment loss	5,163,529	-	5,163,529
At 31 March 2016	5,163,529	2,354,400	7,517,929
Disposal during the year	-	(706,560)	(706,560)
Disposal of subsidiary	-	(1,647,840)	(1,647,840)
At 31 March 2017	5,163,529	-	5,163,529
Carrying amount			
At 31 March 2016	30,904,868	138,238,375	169,143,243
At 31 March 2017	30,904,868	131,000,000	161,904,868

(a) Description of material intangible assets

Intangible assets represent the trademarks for the brands of "Anakku" and "Audrey" for the Group's specialised wear, care and related products through HTO that were acquired in business combinations. The useful lives of the trademarks are estimated to be indefinite because based on the current market share of the brands, management believes there is no foreseeable limit to the period over which brands are expected to generate net cash inflow for the Group.

(b) Impairment testing for cash-generating units ("CGU") containing goodwill and trademarks

For the purpose of impairment testing, goodwill and trademarks are allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill and trademarks are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks allocated to each CGU are as follows:

	2017		2016	
	Goodwill RM	Trademarks RM	Goodwill RM	Trademarks RM
Adult	-	-	-	7,238,375
Baby wear	17,437,911	113,000,000	17,437,911	113,000,000
Lingerie wear	13,466,957	18,000,000	13,466,957	18,000,000
	30,904,868	131,000,000	30,904,868	138,238,375

6. Intangible Assets (Cont'd)

(b) Impairment testing for cash-generating units ("CGU") containing goodwill and trademarks (Cont'd)

Key assumptions used in value in use calculations

The recoverable amounts of the CGUs in respect of goodwill and trademarks were determined using the value in use approach. Cash flow projections used were based on financial budgets approved by the management covering a 10-year period for lingerie wear CGU and baby wear CGU. The growth rate used to extrapolate the cash flows of the CGUs beyond the 5-year period is 3% for lingerie wear and 5% for baby wear that are same as the long-term average growth rate for the industry. Management believes that a forecast period greater than 5 years was justified due to the long-term nature of the goodwill and trademarks.

In the previous financial year, cash flow projections are based on 5-years financial budgets approved by management. Cash flows beyond the 5th year are extrapolated to indefinite years using a terminal zero growth rate.

The key assumptions used for the value in use calculations are:

	Gross Margin		Growth Rate		Discount Rate	
	2017	2016	2017	2016	2017	2016
Adult wear	N/A	37 - 40%	N/A	1%	N/A	10.1%
Baby wear	49.8%	50 - 55%	5 - 22.5%	3 - 5.7%	7.5%	21.0%
Lingerie wear	62.8%	62 - 65%	3 - 14.8%	1 - 3%	7.5%	8.4%

The key assumptions used by management in the determination of the impairment testing of the goodwill and trademarks are as follows:-

(a) Budgeted gross margin

The basis used to determine the budgeted gross margin is the average gross margins achieved in recent years immediately before the budgeted year and after incorporating the effects of merchandising improvement and new marketing strategies.

(b) Growth rate

The basis used to determine the growth rate is the revenue growth achieved in recent years taking into account the increase in consumers spending as a result of merchandising improvement and new marketing strategies.

(c) Discount rate (pre-tax)

Reflects specific risks relating to the relevant operating segments.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

Based on the impairment test, no impairment is required for the goodwill and trademarks in current financial year.

In the previous financial year, impairment losses of RM2,379,000 and RM2,784,529 were recognised on goodwill allocated to AKSB and ABSB, respectively in "Administrative Expenses" line item of the statements of profit or loss and other comprehensive income as the subsidiary companies incurred losses during the previous financial year.

6. Intangible Assets (Cont'd)

(b) Impairment testing for cash-generating units ("CGU") containing goodwill and trademarks (Cont'd)

Sensitivity to changes in assumptions

Cost of goods sold price inflation

Management has considered the possibility of greater than budgeted cost of goods sold. The Group believes that it will be able to pass on the effect of increase in cost of goods sold to its customers through increase in selling prices which will be supported by product improvements.

The Directors believe that there is no reasonable possible change in the key assumptions applied that is likely to materially cause the respective cash-generating unit's carrying amount to exceed its recoverable amount in the current financial year.

In the previous financial year, the changes in assumptions are particularly sensitive in the following areas:-

CGU-Baby Wear

(i) 1% decrease in the gross margin would result in the carrying amount of the CGU exceeding its recoverable amount by approximately RM7 million; or

(ii) 1% decrease in the projected revenue would result in the carrying amount of the CGU exceeding its recoverable amount by approximately RM2 million.

7. Deferred Tax Assets/(Liabilities)

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
At 1 April	(26,000)	(207,100)	-	-
Recognised in profit or loss	11,916,300	181,100	-	-
At 31 March	11,890,300	(26,000)	-	-

The components and movements of deferred tax assets are as follows:

Group	**Unused tax losses RM**	**Unabsorbed capital allowances RM**	**Provisions RM**	**Total RM**
2017				
At 1 April	-	-	-	-
Recognised in profit or loss	10,280,291	774,828	859,881	11,915,000
At 31 March	10,280,291	774,828	859,881	11,915,000
2016				
At 1 April	-	-	95,850	95,850
Recognised in profit or loss	-	-	(95,850)	(95,850)
At 31 March	-	-	-	-

7. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of deferred tax liabilities are as follows:

Group	Accelerated Capital Allowance RM	Provisions RM	Total RM
2017			
At 1 April	26,000	-	2,600
Recognised in profit or loss	(1,300)	-	(1,300)
At 31 March	24,700	-	24,700
2016			
At 1 April	230,150	72,800	302,950
Recognised in profit or loss	(204,150)	(72,800)	(276,950)
At 31 March	26,000	-	26,000

8. Inventories

	Group 2017 RM	2016 RM
Finished goods	62,701,818	136,265,583

	Group 2017 RM	2016 RM
Recognised in profit or loss:		
Inventories recognised as cost of sales	135,302,079	139,057,207
Inventories written down	16,781,319	134,930
Inventories written off	8,265,498	3,978,627

9. Trade Receivables

	Group 2017 RM	2016 RM
Trade receivables	40,658,149	58,013,007
Less: Allowance for impairment losses	(3,043,041)	(7,261,147)
	37,615,108	50,751,860

The Group's normal credit terms range from 30 to 120 days (2016: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

9. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2017 RM	2016 RM
At 1 April	7,261,147	1,094,894
Additions during the financial year	4,070,103	7,254,648
Reversal during the financial year	(7,851,800)	(1,088,395)
Disposal of a subsidiary company	(436,409)	-
At 31 March	3,043,041	7,261,147

Analysis of the trade receivables ageing as at the end of the financial year is as follow:

	Group	
	2017 RM	2016 RM
Neither past due nor impaired	27,233,516	27,963,470
Past due but not impaired:		
Less than 30 days	5,356,073	8,094,538
31 to 60 days	2,581,250	4,248,946
61 to 90 days	2,228,399	6,085,583
More than 90 days	215,870	4,359,323
	10,381,592	22,788,390
Impaired	3,043,041	7,261,147
	40,658,149	58,013,007

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

At the end of the reporting period, trade receivables that are individually impaired amounting to RM1,285,244 (2016: RM1,397,510). These relate to customers that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

10. Other Receivables

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Other receivables	11,280,549	6,864,820	6,230,453	1,685
Less: Allowance for impairment losses	(7,791,131)	(1,814,842)	(6,226,229)	-
	3,489,418	5,049,978	4,224	1,685
Deposits	6,600,937	10,200,758	1,500	1,500
Prepayments	910,390	856,361	3,644	4,076
	11,000,745	16,107,097	9,368	7,261

10. Other Receivables (Cont'd)

Movements in the allowance for impairment losses of others receivables are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 April	1,814,842	-	-	-
Impairment loss recognised	7,117,149	1,814,842	6,226,229	-
Impairment loss reversed	(748,281)	-	-	-
Disposal of subsidiary	(392,579)	-	-	-
At 31 March	7,791,131	1,814,842	6,226,229	-

At the end of the reporting period, other receivables that are individually impaired amounting to RM7,791,131 (2016: RM1,814,142). These relate to receivables that are in significant financial difficulties and/or have defaulted on payments.

11. Amounts due from/(to) Subsidiary Companies

	Company	
	2017 RM	2016 RM
Amount due from subsidiary companies		
Non-trade related		
Non-interest bearing	4,297,500	1,762,800
Less: Allowance for impairment losses	(4,297,500)	(1,154,000)
	-	608,800
Amount due to subsidiary companies		
Non-trade related		
Non-interest bearing	22,774,045	4,190,397

Movements in the allowance for impairment losses are as follows:

	Company	
	2017 RM	2016 RM
At 1 April	1,154,000	1,150,000
Impairment loss recognised	3,143,500	4,000
At 31 March	4,297,500	1,154,000

The amounts due from/(to) subsidiary companies are unsecured and repayable on demand.

12. Fixed Deposits with Licensed Bank

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 0.21% (2016 : 0.24% to 4.05%) per annum and 0.21% (2016 : 0.24%) per annum, respectively. The fixed deposits have maturity periods ranging from 31 days (2016 : 31 to 187 days) and 31 days (2016 : 31 days) for the Group and the Company, respectively.

13. Cash and Bank Balances

Included in the cash and bank balances of the Group amounting to RM4,392,983 (2016: RM36,940) is pledged for credit facilities granted to a subsidiary company as disclosed in Note 20 to the financial statements.

14. Share Capital

	Group and Company			
	2017 Number of Shares	2016 Number of Shares	2017 RM	2016 RM
Authorised				
Ordinary share with no par value (2016: par value of RM1 each)				
At 1 April/31 March	-	-	100,000,000	100,000,000
Issued and fully paid shares				
Ordinary share with no par value (2016: par value of RM1 each)				
At 1 April	79,117,214	79,117,214	79,117,214	79,117,214
Adjustments for effect of Companies Act 2016	-	-	51,313,387	-
At 31 March	79,117,214	79,117,214	130,430,601	79,117,214

The new Companies Act 2016 (the "Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM51,313,387 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM51,313,387 for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

15. Reserves

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Share premium	-	51,313,387	-	51,313,387
Retained profits	5,733,460	64,227,113	86,826,401	119,687,930
	5,733,460	115,540,500	86,826,401	171,001,317

The nature of reserves of the Group and the Company is as follows:

(a) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. For the financial year under review, this has been reclassified into share capital as required by Companies Act 2016.

(b) Retained profits

The entire retained profits of the Company is available for distribution as single- tier dividends.

16. Finance Lease Payable

	Group and Company	
	2017 RM	2016 RM
Minumum lease payments:		
Within one year	3,732	22,452
Later than one year and not later than two years	-	3,732
Less: Future finance charge	3,732	26,184
Present value of minimum lease payments	(20)	(703)
	3,712	25,481
Present value of minimum lease payments:		
Within one year	3,712	3,712
Later than one year and not later than two years	-	21,769
	3,712	25,481

The finance lease payable of the Group and of the Company bore an effective interest rate of 4.64% (2016: 4.64%) per annum at the end of the reporting period.

17. Trade Payables

Credit terms of trade payables of the Group ranged from 30 to 60 days (2016: 30 to 90 days) from date of invoice.

18. Other Payables

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Other payables	2,890,781	5,227,641	6,631	33,161
Accruals	4,240,455	3,986,069	187,450	197,050
	7,131,236	9,213,710	194,081	230,211

19. Amount Due to Holding Company

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Non-trade related				
Interest bearing	4,017,806	-	-	-
Non-interest bearing	16,085,852	18,965,000	3,365,000	7,165,000
	20,103,658	18,965,000	3,365,000	7,165,000

The amount due to holding company is unsecured, interest free and repayable on demand except for amount of RM4,017,806 (2016 : Nil) which bear interest at rate of 5.75% (2016 : Nil) per annum.

20. Islamic Medium Term Notes

(A) Details of the Islamic medium term notes ("IMTN") repayment schedule at the end of the reporting period are as follows:-

Tranche	Series	Nominal value (RM million)	Issue Date	Maturity Date	Tenure
1	1	10	16 March, 2015	16 March, 2017	2
1	2	30	16 March, 2015	16 March, 2018	3
1	3	40	16 March, 2015	16 March, 2019	4
1	4	20	16 March, 2015	16 March, 2020	5
2	5	10	16 April, 2015	16 April, 2020	5
3	6	10	16 May, 2015	16 May, 2020	5
4	7	10	16 June, 2015	16 June, 2020	5

The IMTN bore a weighted average effective interest rate of 6.10% (2016 : 6.39%) per annum at the end of the reporting period and are secured by:-

(a) security trust deed;
(b) corporate guarantee by the Company and AUSB;
(c) a first party first ranking debenture on the assets of AKSB;
(d) a third party first ranking debenture on the assets of AUSB;
(e) a first party first ranking legal charge and assignment over the Finance Service Reserve Account of AKSB;
(f) a first party first ranking legal charge and assignment over the Disbursement Account of AKSB;
(g) a first party legal assignment of Master I nter-Company Financing Agreement of AKSB; and

20. Islamic Medium Term Notes (Cont'd)

(A) Details of the Islamic medium term notes ("IMTN") repayment schedule at the end of the reporting period are as follows (Cont'd):-

The IMTN bore a weighted average effective interest rate of 6.10% (2016 : 6.39%) per annum at the end of the reporting period and are secured by(Cont'd):-

(h) Memorandum of Deposit of Shares in relation to the following:-

(a) 500,000 issued and fully paid up ordinary shares in the issued share capital of AKSB comprising 100% of the issued share capital of AKSB which are legally and beneficially owned by Asia Brands Berhad ("ABB");

(b) 2,500,000 issued and fully paid up ordinary shares in the issued share capital of AUSB comprising 100% of the issued share capital of AUSB which are legally and beneficially owned by ABB.

The IMTN contained the following financial covenants which the Group need to comply with, are as follows:-

(i) Finance to Equity Ratio ("F:E Ratio"); and

(ii) Finance Service Cover Ratio ("FSCR").

(B) On 10 November 2016, the requirement to comply FSCR has been waived with the consent granted from sukuk-holders through Extraordinary Circular Resolutions.

During the financial year, the Group's F:E ratio and FSCR ratio were lower than the required ratio under the terms of the IMTN. The management is currently negotiating with the financial institutions for further extention of time. The entire IMTN was remained in the current liabilities of the financial statements.

21. Bank Borrowings

	Group	
	2017 RM	2016 RM
Secured		
Bankers acceptances	15,417,000	36,000,000
Bank overdraft	-	2,901,162
	15,417,000	38,901,162
Current		
Bankers acceptances	15,417,000	36,000,000
Bank overdraft	-	2,901,162
	15,417,000	38,901,162

The bankers acceptance and bank overdraft are secured by the following:

(a) a negative pledge over certain subsidiary companies' present and future assets; and
(b) a corporate guarantee of the Company

The interest rates per annum are as follows:

	Group	
	2017 %	2016 %
Bankers acceptances	4.71% - 5.07%	4.95% - 5.87%
Bank overdraft	-	8.35%

22. Revenue

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Continuing Operations				
Sales of goods	160,370,820	167,302,531	-	-
Royalty income	5,180,434	6,069,050	-	-
Dividend income	-	-	-	18,000,000
	165,551,254	173,371,581	-	18,000,000
Discontinued Operations (Note 24)				
Sales of goods	42,338,986	66,771,482	-	-
Royalty income	1,373,196	1,677,698	-	-
	43,712,182	68,449,180	-	-
	209,263,436	241,820,761	-	18,000,000

23. Taxation

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Tax (benefit)/expenses on continuing operations	(11,050,389)	96,583	61	19
Tax benefit on discontinued operations (Note 24)	-	(82,800)	-	-
	(11,050,389)	13,783	61	19
Tax(benefit)/ expenses recognised in profit or loss				
Current tax	862,000	116,000	-	-
Under provision in prior years	3,911	78,883	61	19
	865,911	194,883	61	19
Deferred tax - Origination and reversal of temporary differences	(11,916,300)	(181,100)	-	-
Total tax (benefit)/expense	(11,050,389)	13,783	61	19

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

23. Taxation (Cont'd)

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
(Loss)/Profit before taxation:				
Continuing operations	(50,343,295)	(25,822,950)	(32,861,468)	3,814,972
Discontinuing operations	(19,200,747)	(19,386,005)	-	-
	(69,544,042)	(45,208,955)	(32,861,468)	3,814,972
At Malaysian statutory tax rate of 24% (2016: 24%)	(16,690,570)	(10,850,149)	(7,886,752)	915,593
Expenses not deductible for tax purposes	6,858,271	2,541,650	7,886,752	3,408,174
Income not subject to tax	(903,572)	(3,767)	-	(4,323,767)
Deferred tax assets not recognised during the financial year	3,344,547	8,281,325	-	-
Deferred tax assets recognised during the financial year	(3,518,641)	-	-	-
Utilisation of deferred tax assets previously not recognised	(144,335)	(34,159)	-	-
Under provision of taxation in prior years	3,911	78,883	61	19
	(11,050,389)	13,783	61	19

No deferred tax assets are recognised in respect of the following items:-

	The Group	
	2017 RM	2016 RM
Unutilised tax losses	15,683,454	29,285,996
Unabsorbed capital allowances	874,587	6,296,972
Other deductible differences	-	7,028,449
	16,558,041	42,611,417

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

24. Discontinued Operations and Disposal of Subsidiary Companies

On 6 March 2017, the Group disposed of its entire equity interest in BUMM and its subsidiary companies. Accordingly, the results of BUMM and its subsidiary companies have been classified as discontinued operation in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Comparative consolidated statements of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Loss attributable to the discontinued operation was as follows:

Results of discontinued operation

	Note	Group 2017 RM	Group 2016 RM
Revenue	22	43,712,182	68,449,180
Expeneses		(56,932,619)	(87,835,185)
Results from operating activities		(13,220,437)	(19,386,005)
Tax benefit	23	-	82,800
Results from operating activities, net of tax		(13,220,437)	(19,303,205)
Loss on sale of discontinued operation		(5,980,310)	-
Loss for the year		(19,200,747)	(19,303,205)

The loss from discontinued operation of RM19,200,747 (2016: RM19,303,205) is attributable entirely to the owners of the Company.

Cash flows generated from/(used in) discontinued operation

Cash flows generated from/(used in) discontinued operation/disposal of subsidiary	Group 2017 RM	Group 2016 RM
Net cash generated from/(used in) operating activities	44,397,252	(6,260,032)
Net cash generated from investing activities	1,014,111	3,967,239
Net cash used in financing activities	(41,839,609)	(3,824,215)
Effect on cash flows	3,571,754	(6,117,008)

Effect of disposal on the financial position of the Group

	RM
Plant and Equipment	2,486,632
Trademark	6,502,935
Inventories	6,729,903
Trade receivables	11,023,966
Other receivables	5,848,462
Tax recoverable	740,594
Amount owing by related companies	161,520
Cash and bank balances	759,911
Trade payables	(6,244,716)
Other payables	(535,344)
Amount owing to holding company	(6,883,800)
Amount owing to related companies	(201,146)
Net identified assets and liabilities	20,388,917
Less: Loss on disposal of subsidiary companies	(5,980,310)
Sales proceeds from disposal of subsidiary companies	14,408,607
Less: Cash and cash equivalents of subsidiary disposed	(759,911)
Net cash inflow on disposal of subsidiaries	13,648,696

24. Discontinued Operations and Disposal of Subsidiary Companies (Cont'd)

Effect of disposal on the financial position of the Group (Cont'd)

	RM
Loss on disposal of subsidiary	
Discontinued operations	
- Attributable to loss on disposed interest	(5,980,310)

25. (Loss)/Profit For The Financial Year

(Loss)/Profit before taxation is determined after charging/(crediting) amongst other, the following items :

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Auditors' remuneration				
- current financial year	157,500	245,000	50,500	55,000
- under provision in prior years	500	500	-	-
Non-statutory audit	60,000	57,820	-	-
Bad debts written off				
- trade receivables	563,405	430	-	-
Waiver of debt from a subsidiary company	-	-	(40,829)	-
Depreciation of plant and equipment	7,027,668	8,937,535	69,000	69,000
Impairment losses on				
- investments in subsidary	-	-	7,472,700	13,527,000
- trade receivables	4,070,103	7,254,648	-	-
- other receivables	7,117,149	1,814,842	6,226,229	-
- amount due from subsidiaries	-	-	3,143,500	4,000
- goodwill	-	5,163,529	-	-
Interest expense on				
- bankers' acceptance	1,206,512	1,919,676	-	-
- loan from holding company	42,172	243,335	-	243,335
- bank overdrafts	91,987	68,597	-	-
- finance lease	683	1,647	683	1,647
- Islamic medium term notes	8,032,956	8,025,563	-	-
Inventories written down	16,781,319	134,930	-	-
Inventories written off	8,265,498	3,978,627	-	-
Plant and equipment written off	639,815	896,864	-	-
Rental expenses on:				
- equipment	-	(300)	-	-
- premises	19,960,723	28,585,811	-	-
Royalty expense	3,819,282	4,064,990	-	-
Dividend income from subsidiary companies	-	-	-	(18,000,000)
Realised gain on foreign exchange	(27,837)	(3,857)	-	-
Loss on disposal of trademark	735,438	-	-	-
Loss on disposal of subsidiaries	5,980,308	-	15,591,391	-
Gain on disposal of plant and equipment	(661,829)	(1,042)	-	-
Interest income	(284,942)	(213,446)	(245)	(15,696)
Reversal of impairment loss				
- trade receivables	(7,851,800)	(1,088,395)	-	-
- other receivables	(748,281)	-	-	-

26. Loss per Share

Basic loss per ordinary share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2017 RM	2016 RM
Loss attributable to owners of the Company		
- from continuing operations	(39,292,906)	(25,919,533)
- from discontinued operations	(19,200,747)	(19,303,205)
	(58,493,653)	(45,222,738)
Weighted average number of ordinary shares in issue	79,117,214	79,117,214
Basic loss per ordinary share (sen):		
Loss from continuing operations	(49.66)	(32.76)
Loss from discontinued operations	(24.27)	(24.40)
	(73.93)	(57.16)

Diluted loss per ordinary share

The diluted loss per ordinary share is the same as the basic loss per ordinary share of the Group, as the Group has no dilutive potential ordinary shares during the current and prior financial years.

27. Employee Benefit Expenses

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Salaries, wages and others	13,627,062	14,438,042	132,000	132,000
EPF	1,630,711	1,616,873	-	-
Other related expenses	363,198	343,965	1,393	1,098
	15,620,971	16,398,880	133,393	133,098

The employee benefits expenses including key management personnel as disclosed in Note 29.

28. Dividend

	Group and Company	
	2017 RM	2016 RM
Final single tier tax exempt dividend of RM0.005 per ordinary share in respect of financial year ended 31 March 2015	-	395,586

29. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors of the Company and certain members of senior management of the Group and of the Company.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	2017 RM	2016 RM
Group		
Interest expenses to holding company	42,172	243,335
Company		
Dividend income from subsidiaries	-	18,000,000
Interest expenses to holding company	-	243,335

(c) Compensation of key management personnel

The key management personnel compensation is as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors of the Company				
Executive:				
Salaries and other emolumments	360,794	360,620	-	-
EPF	43,200	43,200	-	-
	403,994	403,820	-	-
Benefits in kind	17,400	17,400	-	-
	421,394	421,220	-	-
Non-Executive:				
Fees	132,000	132,000	132,000	132,000
	553,394	553,220	132,000	132,000
Other Directors (on board of subsidiary companies)				
Executive:				
Salaries and other emolumments	345,588	710,480	-	-
EPF	41,280	84,432	-	-
	386,868	794,912	-	-
Benefits in kind	21,000	32,100	-	-
	407,868	827,012	-	-
Total of directors' remuneration	961,262	1,380,232	132,000	132,000

29. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel (Cont'd)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Other key management personnel				
Salaries and other emolumments	821,347	828,243	-	-
EPF	98,322	98,964	-	-
	919,669	927,207	-	-

30. Operating Lease Commitments

The future minimum lease payments under the non-cancellable operating leases are as follows:

	Group	
	2017 RM	2016 RM
Not more than 1 year	6,786,821	15,674,032
Later than 1 year and not later than 5 years	2,765,207	5,622,679
	9,552,028	21,296,711

31. Operating Segments

(a) Operating segments information is not provided as the Group is principally engaged in wholesale, retail and distribution of ready-made casual wear, baby and children wear, lingerie and ladies wear and their related accessories which are substantially within a single business segment.

(b) Geographical information

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

(c) Major customer

There are no single customers that contributed 10% or more to the Group's revenue.

32. Financial Instruments

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Loan and Receivables RM	Financial Liabilities Measured at Amortised Cost RM	Total RM
Financial Assets			
2017			
Trade receivables	37,615,108	-	37,615,108
Other receivables	10,090,355	-	10,090,355
Fixed deposits with licensed banks	5,484	-	5,484
Cash and bank balances	13,565,830	-	13,565,830
Total financial assets	61,276,777	-	61,276,777
2016			
Trade receivables	50,751,860	-	50,751,860
Other receivables	15,250,736	-	15,250,736
Fixed deposits with licensed banks	4,120,345	-	4,120,345
Cash and bank balances	5,761,701	-	5,761,701
Total financial assets	75,884,642	-	75,884,642
Financial Liabilities			
2017			
Trade payables	-	16,664,613	16,664,613
Other payables	-	7,131,236	7,131,236
Amount due to holding company	-	20,103,658	20,103,658
Finance lease payable	-	3,712	3,712
Islamic medium term notes	-	120,000,000	120,000,000
Bank borrowings	-	15,417,000	15,417,000
Total financial liabilities	-	179,320,219	179,320,219
2016			
Trade payables	-	17,383,110	17,383,110
Other payables	-	9,213,710	9,213,710
Amount due to holding company	-	18,965,000	18,965,000
Finance lease payable	-	25,481	25,481
Islamic medium term notes	-	130,000,000	130,000,000
Bank borrowings	-	38,901,162	38,901,162
Total financial liabilities	-	214,488,463	214,488,463

32. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis(Cont'd):

Company	Loan and Receivables RM	Financial Liabilities Measured at Amortised Cost RM	Total RM
Financial Assets			
2017			
Other receivables	5,724	-	5,724
Fixed deposits with licensed banks	5,484	-	5,484
Cash and bank balances	24,775	-	24,775
Total financial assets	35,983	-	35,983
2016			
Other receivables	3,185	-	3,185
Amount due from subsidiary companies	608,800	-	608,800
Fixed deposits with licensed banks	5,345	-	5,345
Cash and bank balances	15,050	-	15,050
Total financial assets	632,380	-	632,380
Financial Liabilities			
2017			
Other payables	-	194,081	194,081
Amount due to holding company	-	3,365,000	3,365,000
Amount due to subsidiary companies	-	22,774,045	22,774,045
Finance lease payable	-	3,712	3,712
Total financial liabilities	-	26,336,838	26,336,838
2016			
Other payables	-	230,211	230,211
Amount due to holding company	-	7,165,000	7,165,000
Amount due to subsidiary companies	-	4,190,397	4,190,397
Finance lease payable	-	25,481	25,481
Total financial liabilities	-	11,611,089	11,611,089

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to financial institutions and banks for credit facilities granted to certain subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. It also provides unsecured financial guarantees to banks and financial institutions for credit facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and financial institutions for credit facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM135,417,000 (2016: RM168,901,162) representing the outstanding credit facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment. The financial guarantees have not been recognised since the fair value on initial recognition was immaterial.

The Group's major concentration of credit risk relates to the amounts owing by 4 customers (2016 : 7 customers) which constituted approximately 26% (2016: 21%) of its trade receivables at the end of the reporting period.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from its various payables.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long term funding requirements.

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	On Demand or within 1 Year RM	1-2 Years RM	Total Contractual Cash Flows RM	Total Carrying Amount RM
2017				
Non-derivative financial liabilities				
Trade payables	16,664,613	-	16,664,613	16,664,613
Other payables	7,131,236	-	7,131,236	7,131,236
Amount due to holding company	20,103,658	-	20,103,658	20,103,658
Finance lease payable	3,732	-	3,732	3,712
Islamic medium term notes	135,142,397	-	135,142,397	120,000,000
Bank borrowings	15,417,000	-	15,417,000	15,417,000
	194,462,636	-	194,462,636	179,320,219
2016				
Non-derivative financial liabilities				
Trade payables	17,383,110	-	17,383,110	17,383,110
Other payables	9,213,710	-	9,213,710	9,213,710
Amount due to holding company	18,965,000	-	18,965,000	18,965,000
Finance lease payable	22,452	3,732	26,184	25,481
Islamic medium term notes	155,316,558	-	155,316,558	130,000,000
Bank borrowings	38,901,162	-	38,901,162	38,901,162
	239,801,992	3,732	239,805,724	214,488,463

Company	On Demand or within 1 Year RM	1-2 Years RM	Total Contractual Cash Flows RM	Total Carrying Amount RM
2017				
Non-derivative financial liabilities				
Other payables	194,081	-	194,081	194,081
Amount due to subsidiaries company	22,774,045	-	22,774,045	22,774,045
Amount due to holding company	3,365,000	-	3,365,000	3,365,000
Finance lease payable	3,732	-	3,732	3,712
Financial guarantees*	135,417,000	-	135,417,000	-
	161,753,858	-	161,753,858	26,336,838

32. Financial Instruments(Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Company	On Demand or within 1 Year RM	1-2 Years RM	Total Contractual Cash Flows RM	Total Carrying Amount RM
2016				
Non-derivative financial liabilities				
Other payables	230,211	-	230,211	230,211
Amount due to subsidiaries company	4,190,397	-	4,190,397	4,190,397
Amount due to holding company	7,165,000	-	7,165,0002	7,165,000
Finance lease payable	22,452	3,732	26,184	25,481
Financial guarantees*	168,901,162	-	168,901,162	-
	180,509,222	3,732	180,512,954	11,611,089

* Being corporate guarantees granted for credit facilities of certain subsidiary companies, which will only be encashed in the event of default by these entities.

(iii) Market risks

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk through normal trading activities on sales transactions that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD) and Brunei Dollar (BND). Foreign currency risk is monitored closely on an ongoing basis to ensure the net exposure is at an acceptable level.

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

Group	USD RM	BND RM	Total RM
2017			
Financial Assets			
Trade receivables	-	901,432	901,432
Financial Liabilities			
Other payables	201,898	-	201,898
2016			
Financial Assets			
Trade receivables	115,331	60,346	175,677
Financial Liabilities			
Other payables	136,109	-	136,109

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD and BND exchange rates against RM, with all other variables held constant.

Group	Change in currency rate	Effect on loss before tax 2017 RM	Effect on loss before tax 2016 RM
USD	Strengthened 5%	10,095	1,039
	Weakened 5%	(10,095)	(1,039)
BND	Strengthened 5%	(45,072)	(3,017)
	Weakened 5%	45,072	3,017

(b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in market interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in market interest rate.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's interest- bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

Group	2017 RM	2016 RM
Floating rate instruments		
Financial Liabilities		
- Islamic medium term note	120,000,000	130,000,000
- Bank borrowings	15,417,000	38,901,162
	135,417,000	168,901,162
Fixed rate instruments		
Financial Liabilities		
- Finance lease payable	3,712	25,481
- Amount due to holding company	4,017,806	-
	4,021,518	25,481

Company	2017 RM	2016 RM
Fixed rate instruments		
Financial Liabilities		
- Finance lease payable	3,712	25,481

32. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in market interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 0.25% (2016: 0.25%) interest rate at the end of the reporting period would have increased/(decreased) the Group' loss before tax by RM338,543 (2016: RM422,253) respectively, arising mainly as a result of lower/higher interest expense on floating rate financial instruments. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of receivables and payables, cash and cash equivalents, IMTN and borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

33. Material Litigation

On 11 January 2002, Bontton (a former subsidiary company and a proprietor of the "Diesel" trademark in relation to articles of clothing in Malaysia) and Diesel Marketing (a wholly-owned subsidiary company and the authorised licensee of Bontton for the said "Diesel" trademark) (collectively referred to as "the Plaintiffs"), filed a suit against Apcott PP (M) Sdn. Bhd. (1st Defendant), based on passing-off and claiming an injunction to restrain the 1st Defendant from using the "Diesel" name in relation to bags and other fashion goods in Malaysia and to claim for general damages. Subsequently, Diesel S.P.A, a corporation incorporated in Italy, successfully applied to be a joint party to the above suit as the 2nd Defendant.

Pursuant thereto, the Plaintiffs filed an Amended Writ and Statement of Claim which included a claim for Rectification of the Register of Trade Marks to expunge and to vary the 2nd Defendant's registration for the mark "Diesel".

On 15 November 2002, an interim injunction entered against the 1st Defendant restraining the 1st Defendant, until the disposal of the main suit, from carrying on the business of manufacturing, distributing, selling or otherwise dealing by way of trade in certain fashion goods using the trademark "Diesel". On the same date, the 1st Defendant had also given an undertaking to the Court that they had never carried on the business of importing, distributing, selling or otherwise dealing in the course of trade with wearing apparel usingthe trademark "Diesel" and would not do so until the final disposal of the said suit.

Both defendants have filed their respective Defence and Counter-Claim, which included a claim for injunction and damages arising from alleged infringement and passing-off of the 2nd Defendant's "Diesel" mark by the Plaintiffs.

The Plaintiffs filed their Reply and Defence to Counter-Claim of both defendants on 10 February 2004. The matter is now pending the filing of the Reply to Defence to Counter- Claim by both defendants. Thereafter, pleadings will be deemed closed and all parties will then proceed to discovery.

On 1 October 2016, the Company completed the disposal of its entire 100% equity interest in Bontton. Consequently, this matter will be removed from future reports.

34. Capital Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors capital using debt-to-equity ratio. The Group's policy is to maintain a prudent level of debt-to-equity ratio that complies with regulatory requirements. The debt-to-equity ratios at end of the reporting period are as follows:

	Group	
Debt	**2017 RM**	**2016 RM**
Finance lease payable	3,712	25,481
Islamic medium term notes	120,000,000	130,000,000
Bank borrowings	15,417,000	38,901,162
	135,420,712	168,926,643
Less: Fixed deposits with licensed banks	(5,484)	(4,120,345)
Less: Cash and bank balances	(13,565,830)	(5,761,701)
Net debt	121,849,398	159,044,597
Total Equity	136,164,061	194,657,714
Debt-to-equity ratio	0.89	0.82

There were no changes in the Group's approach to capital management during the financial year.

The Group complies with Bursa Malaysia Securities Berhad Main Market Listing Requirement to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) of more than 25% of the issued and paid up capital and maintain such shareholders' equity at not less than RM40.0 million.

35. Comparative figures

During the financial year, the Company made certain reclassification to the comparatives to conform to the current year presentation. In previous financial year, the Group's inventories written off and reversal of inventories written off were previously disclosed at RM7,696,099 and RM3,717,472 respectively. This has been restated as inventories written off amounting to RM3,978,627.

36. Date of authorisation for issue

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

37. Supplementary information on the disclosure of realised and unrealised profits or losses

The following analysis of realised and unrealised retained profits of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Group	**2017 RM**	**2016 RM**
Retained Profits		
- Realised	23,952,400	124,298,602
- Unrealised	11,890,300	(26,000)
	35,842,700	124,272,602
Less: Consolidation adjustments	(30,109,240)	(60,045,489)
	5,733,460	64,227,113

Company	**2017 RM**	**2016 RM**
Retained Profits		
- Realised	86,826,401	119,687,930
- Unrealised	-	-
	86,826,401	119,687,930
Less: Consolidation adjustments	-	-
	86,826,401	119,687,930

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 12.06 [2(a)] of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Share Buy-Back Statement

1. Disclaimer Statement

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the Share Buy-Back Statement ("Statement") prior to its issuance as it is an exempt document. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability, whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

2. Rationale for renewal of authority from the shareholders of the Company to enable the Company to purchase and/or hold up to ten per centum (10%) of its total number of issued shares pursuant to Section 127 of the Companies Act 2016 ("Proposed Renewal of Authority for Share Buy-Back")

The Proposed Renewal of Authority for Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders in the following manners:-

(a) Depending on the effective cost of funding of the shares to be purchased, the earning per share of the Group may be enhanced (in the case where the shares so purchased are cancelled), and thereby long term investors are expected to enjoy a corresponding increase in the value of their investments in the Company;

(b) If the purchased shares are kept as treasury shares, the treasury shares may be realised with potential gain without affecting the total number of issued shares of the Company. Alternatively, the purchased shares can be distributed as share dividends to reward the shareholders of the Company;

(c) The Company may be able to stabilise the supply and demand of its shares in the open market and thereby supporting its fundamental value; and

(d) The Proposed Renewal of Authority for Share Buy-Back will provide the Company the option to return its surplus financial resources to its shareholders.

3. Retained Profits

Based on the latest Audited Financial Statements of the Company for the financial year ended 31 March 2017, the audited retained profits of the Company stood at RM86,826,401.

4. Source of Funds

The amount allocated for the share buy-back will be financed by internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of the purchase consideration as well as the availability of internally generated funds and the repayment capability of the Company, if financed by bank borrowings, at the date(s) of the purchase(s).

In the event that the Company decides to utilise external borrowings to finance the share buy-back, there will be a decline in its net cashflow to the extent of the interest cost associated with such borrowings. However, the Board of Directors does not foresee any difficulty in servicing the interest and repayment of borrowings used for the share buy-back, if any.

5. Direct and Indirect Interests of the Directors and Substantial Shareholders in the Proposed Renewal of Authority for Share Buy-Back

Save for the inadvertent proportionate increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a consequence of the share buy-back, none of the Directors and/or substantial shareholders nor persons connected with the Directors and/or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Renewal of Authority for Share Buy-Back and the proposed resale of treasury shares, if any.

As such, none of the Directors and/or substantial shareholders nor persons connected with them need to abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution approving the Proposed Renewal of Authority for Share Buy-Back.

The effects of the proposed share buy-back on the shareholdings of the Directors and substantial shareholders as at 19 June 2017 are set out below based on the following assumptions:-

(a) the proposed share buy-back is implemented in full, i.e. up to 10% of the enlarged issued share capital or 7,911,721 of the Company's shares are purchased; and

(b) the shares so purchased are from shareholders other than the substantial shareholders and Directors of the Company.

5. Direct and Indirect Interests of the Directors and Substantial Shareholders in the Proposed Renewal of Authority for Share Buy-Back (cont'd)

	Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Directors	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Ng Chin Huat	-	-	47,237,477*	59.71	-	-	47,237,477*	66.34
Cheah Yong Hock	625,600	0.79	-	-	625,600	0.88	-	-
Kong Sau Kian	-	-	-	-	-	-	-	-
Lim Kim Meng	-	-	-	-	-	-	-	-

Note :

* **Deemed interested by virtue of his and his spouse direct interest in Everest Hectare Sdn. Bhd. via Section 8 of the Companies Act 2016.**

	Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Everest Hectare Sdn. Bhd.	47,237,477	59.71	-	-	47,237,477	66.34	-	-
Ng Chin Huat	-	-	47,237,477*	59.71	-	-	47,237,477*	66.34
Yap Su P'ing	-	-	47,237,477*	59.71	-	-	47,237,477*	66.34
Ng Tiong Seng Corporation Sdn. Bhd.	10,326,258	13.05	-	-	10,326,258	14.50	-	-

Note :

* **Deemed interested by virtue of his and his spouse direct interest in Everest Hectare Sdn. Bhd. via Section 8 of the Companies Act 2016.**

6. Potential Advantages and Disadvantages of the Proposed Renewal of Authority for Share Buy-Back

The potential advantages of the Proposed Renewal of Authority for Share Buy-Back to the Company and its shareholders are stated in Section 2 above.

The potential disadvantages of the Proposed Renewal of Authority for Share Buy-Back to the Company and its shareholders are as follows:-

(a) the amount of financial resources available for distribution to the shareholders of the Company will decline and this may result in the Group having to forego feasible investment opportunities that may emerge in the future;

(b) the working capital of the Company will be affected as the share buy-back will reduce the Company's cashflow, the quantum depending on the number of shares purchased and their corresponding purchase price(s); and

(c) as the Proposed Renewal of Authority for Share Buy-Back can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the immediate future.

6. Potential Advantages and Disadvantages of the Proposed Renewal of Authority for Share Buy-Back (cont'd)

The Proposed Renewal of Authority for Share Buy-Back is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in depth consideration of the financial resources of the Company and of the resultant impact on its shareholders. The Board of Directors in exercising any decision on the share buy-back will be mindful of the interest of the Company and its shareholders.

7. Financial Effects of the Proposed Renewal of Authority for Share Buy-Back

On the assumption that the share buy-back is carried out in full, the effects of the Proposed Renewal of Authority for Share Buy-Back on the share capital, net asset (NA) per share, working capital and earnings per share (EPS) of the Company are set out below:-

(a) On Share Capital

The effect of the share buy-back on the share capital of the Company will depend on the intention of the Board of Directors with regard to the purchased shares. As at 19 June 2017, the total number of issued shares of the Company is RM79,117,214 comprising 79,117,214 shares.

However, the Proposed Renewal of Authority for Share Buy-Back will have no effect on the total number of issued shares if all Purchased Shares are to be retained as treasury shares but the rights attaching to the treasury shares in relation to voting, dividends and participation in any other distributions or otherwise are suspended. While these ABB Shares remain as treasury shares, the Act prohibits the taking into account of such shares in calculating the number of percentage of shares in the Company for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

(b) On NA

The effect of the Proposed Renewal of Authority for Share Buy-Back on the NA per share of the Company is dependent on the number of shares purchased, purchase price of the shares, the funding cost, if any, and the subsequent treatment of the shares so purchased.

If all the shares purchased are cancelled, the proposed share buy-back is likely to reduce the NA per share of the Group if the purchase price exceeds the audited NA per share of the Group at the time of purchase and conversely, will increase the NA per share of the Group if the purchase price is less than the audited NA per share of the Group at the time of purchase.

For shares so purchased, which are kept as treasury shares, upon its resale, the NA of the Group may be affected depending on the actual selling price of the treasury shares and the actual number of treasury shares resold.

(c) On Working Capital

The Proposed Renewal of Authority for Share Buy-Back will reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of shares eventually purchased and the purchase price of the shares.

(d) On EPS

Depending on the number of shares purchased and purchase price of shares and the effective cost as well as the opportunity cost of funding the shares, the proposed share buy-back may increase the EPS of the Group. Similarly, on the assumption that the shares so purchased are treated as treasury shares, the extent of the effect of the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising.

Any cancellation of shares so purchased is expected to give rise to increased EPS to the Company and the Group due to the reduced number of shares in issue.

(e) On Dividends

Assuming the Proposed Renewal of Authority for Share Buy-Back is implemented in full and the Company's quantum of dividend is maintained at historical levels, the Proposed Renewal of Authority for Share Buy-Back will have the effect of increasing the dividend rate of the Company as a result of the reduction in the total number of issued shares of the Company.

7. Financial Effects of the Proposed Renewal of Authority for Share Buy-Back (Cont'd)

(f) On Shareholdings

The effect of the Proposed Renewal of Authority for Share Buy-Back on the percentage of shareholdings of the Directors and substantial shareholders of the Company would depend on the timing of the purchase, the number of shares purchased, if any, and their actual shareholdings at the time of such purchase.

Please refer to Section 5 above for further details on the shareholding structure of Directors and substantial shareholders of the Company.

8. Implication under the Rules on Take-overs, Mergers and Compulsory Acquisitions, 2016 (the "Rules")

Under the Rules, a director and any person acting in concert with him or a relevant shareholder will be required to make a mandatory general offer for the remaining ordinary shares of the Company not already owned by him/them if his/their stake in the Company is increased beyond thirty-three (33%) or if his/their existing shareholding is between thirty-three percent (33%) and fifty percent (50%) and exceeds by another two percent (2%) in any six (6) months period.

Assuming that the Proposed Renewal of Authority for Share Buy-Back is carried out in full and the shareholdings of the directors and parties acting in concert will be increased beyond thirty-three percent (33%) as a result of the share buy-back and pursuant to the Rules, the directors and parties acting in concert are required to make a mandatory general offer.

Should such circumstances arises and if required, the directors and parties acting in concert are expected to submit an application to Securities Commission Malaysia for a waiver from implementing a mandatory general offer under the Rules.

The Company intends to implement the share buy-back in a manner that it will not result any of the shareholders having to undertake a mandatory offer pursuant to the Rules.

9. Purchase, Resale and Cancellation of shares made in the previous twelve (12) months

The Company has not made any purchase or resale or cancellation of any of its own shares in the past twelve (12) months preceding the date of this Annual Report.

10. Public Shareholding Spread

As at 19 June 2017, the public shareholding spread of the Company was 25.88%.

11. Directors' Statement

This Statement has been seen and approved by the Board of Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Statement and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Having considered all aspects of the Proposed Renewal of Authority for Share Buy-Back, the Board of Directors is of the opinion that the Proposed Renewal of Authority for Share Buy-Back is fair, reasonable and in the best interest of the Company.

12. Directors' Recommendation

The Board of Directors recommends that you vote in favour of the Ordinary Resolution for the Proposed Renewal of Authority for Share Buy-Back to be tabled at the forthcoming Annual General Meeting.

13. Other Information

There is no other information concerning the Proposed Renewal of Authority for Share Buy-Back as shareholders and their professional advisers would reasonably require and expect to find in this Statement for the purpose of making informed assessment as to the merits of approving the Proposed Renewal of Authority for Share Buy-Back and the extent of the risks involved in doing so.

Total Number of Issued Shares	:	79,117,214
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1 - 99	399	34.64	12,846	0.02
100 – 1,000	127	11.02	77,853	0.10
1,001 - 10,000	512	44.44	1,881,020	2.38
10,001 – 100,000	90	7.81	2,726,860	3.45
100,001 – 3,955,859*	22	1.91	17,902,900	22.63
3,955,860 and above**	2	0.17	56,515,735	71.43
Total	**1,152**	**100.00**	**79,117,214**	**100.00**

** Less than 5% of Issued Holdings*
*** 5% and above of Issued Holdings*

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	Nationality/ Incorporated in	No. of shares beneficially held Direct	%	Indirect	%
Ng Chin Huat	Malaysian	-	-	*47,237,477	59.71
Kong Sau Kian	Malaysian	-	-	-	-
Lim Kim Meng	Malaysian	-	-	-	-
Cheah Yong Hock	Malaysian	625,600	0.79	-	-
Total Shareholdings		**625,600**	**0.79**	***47,237,477**	**59.71**

* Indirect interest by virtue of his interest of more than 20% of the total voting shares in Everest Hectare Sdn. Bhd.

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	Nationality/ Incorporated in	No. of shares beneficially held Direct	%	Indirect	%
Everest Hectare Sdn. Bhd.	Malaysian	47,237,477	59.71	-	-
Ng Chin Huat	Malaysian	-	-	*47,237,477	59.71
Yap Su P'ing	Malaysian	-	-	*47,237,477	59.71
Ng Tiong Seng Corporation Sdn. Bhd.	Malaysian	10,326,258	13.05	-	-

* Deemed interested by virtue of his/ his spouse direct interest in Everest Hectare Sdn. Bhd. via Section 8 of the Companies Act 2016.

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
1.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EVEREST HECTARE SDN. BHD.	47,237,477	59.71
2.	NG TIONG SENG CORPORATION SDN. BHD.	9,278,258	11.73
3.	CHOO BAY SEE	3,580,000	4.52
4.	HABA ENTITY SDN. BHD.	2,857,400	3.61
5.	CHANG WAI PONG	2,559,000	3.23
6.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HAN WENG	2,385,800	3.02
7.	CHONG CHEA CHEA	1,379,200	1.74
8.	NG TIONG SENG CORPORATION SDN. BHD.	1,048,000	1.32
9.	CHEAH YONG HOCK	625,600	0.79
10.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG LOKE YOONG	474,100	0.60
11.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ZURICH INSURANCE MALAYSIA BERHAD (GROWTH FUND)	455,500	0.58
12.	LIM PENG JIN	324,100	0.41
13.	LEE YEAN FUNG	300,000	0.38
14.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR KYO VOON JET (MY1488)	265,000	0.33
15.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ZURICH INSURANCE MALAYSIA BERHAD (VULTURE FUND)	250,000	0.32
16.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR ZURICH INSURANCE MALAYSIA BERHAD (BALANCED FUND)	220,000	0.28
17.	QIU KAIHUI	200,000	0.25
18.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG AIK SERN	180,000	0.23
19.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT	173,000	0.22
20.	KOK TAI MENG	150,000	0.19
21.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TANG CHOON EE (M78030)	134,000	0.17
22.	SALLY CHEOK SWEE LING	127,200	0.16
23.	KHOO HENN KUAN	110,000	0.14
24.	BONG ZHEN KANG	105,000	0.13
25.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG AIK WEI	100,000	0.13

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
26.	CHOI YU LOONG	90,860	0.11
27.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR CHUAH SENG BOON (M78029)	87,600	0.11
28.	LAM CHI SHING	80,000	0.10
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OOI KIN CHONG @ OUI KIN CHONG (8063257)	74,100	0.09
30.	TEO KWEE HOCK	71,700	0.09

PROXY FORM

(Please refer to the notes below before completing this form)

Number of shares held	
CDS Account No.	

ASIA BRANDS

ASIA BRANDS BERHAD (Company No. 22414-V)
(Incorporated in Malaysia)

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

of...
(FULL ADDRESS)

being a member of **Asia Brands Berhad** hereby appoints ....

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

of ....
(FULL ADDRESS)

or failing him/her,... NRIC No...
(FULL NAME IN BLOCK LETTERS)

of...
(FULL ADDRESS)

or failing him/ her, the CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us on my/our behalf at the Forty-Second Annual General Meeting of the Company to be held at the Conference Room of the Company at Lot 10449, Jalan Nenas, Batu 4 ½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan on Friday, 25 August 2017 at 9:00 a.m. or any adjournment thereof, in the manner as indicated below:-

	Resolutions	For	Against
Resolution 1	To approve the payment of Directors' fees and benefits for the financial year ended 31 March 2017.		
Resolution 2	To re-elect Mr. Ng Chin Huat as a Director of the Company.		
Resolution 3	To re-appoint Messrs. UHY as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
Resolution 4	As Special Business Ordinary Resolution 1 - Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Resolution 5	Ordinary Resolution 2 - Proposed Renewal of Authority for Share Buy Back of up to ten per centum (10%) of the total number of issued shares the Company.		

(Please indicate with an "X" in the appropriate boxes above how you wish your vote to be cast. If you do not do so, your proxy shall vote as he thinks fit, or at his/their discretion.)

Dated this .... day of 2017

....
Signature of Shareholder

Notes

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 August 2017 ("General Meeting Record of Depositors") shall be entitled to attend, speak vote at this Meeting.*

2. *A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*

3. *Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member is an authorised nominee as defined in the Securities Industry (Central Depository) Act, 1991, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

6. *If a corporation is a member of the Company, it may vote by any person authorised by resolution of its directors or other governing body to act as its representative at any meeting in accordance with Article 75 of the Company's Articles of Association.*

7. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised and shall be deposited with the power of attorney or other authority (if any) at the registered office of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding this Meeting or adjourned meeting at which the person named in such proxy proposes to vote and in default the proxy shall not be treated as valid. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.*

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Affix
Stamp
Here

ASIA BRANDS BERHAD
(Company No. 22414-V)

Lot 10449, Jalan Nenas
Batu 4 ½, Kampung Jawa
41000 Klang, Selangor Darul Ehsan

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