AMVERTON BERHAD

(177214-H)

Building On Our Experience

ANNUAL REPORT 2018

AMVERTON

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Ninth (29th) Annual General Meeting of Amverton Berhad ("the Company") will be held at Bukit Kemuning Golf & Country Resort, Lot 6031, Batu 7, Bukit Kemuning, 42450 Shah Alam, Selangor Darul Ehsan on Thursday, 20 June 2019 at 11.00 a.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 and the Reports of the Directors and Auditors thereon. **Please refer to Note 2.**

2. To re-elect the following Directors who retire by rotation in accordance with Article 100 of the Company's Constitution and who being eligible offer themselves for re-election:

   (i) Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock **Ordinary Resolution 1**

   (ii) Puan Sri Datin Catherine Yeoh Eng Neo **Ordinary Resolution 2**

   (iii) Steven Junior Ng Kwee Leng **Ordinary Resolution 3**

   (iv) Malcolm Jeremy Ng Kwee Seng **Ordinary Resolution 4**

3. To approve the payment of Directors' fees and benefits up to an amount of RM180,000 from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting. **Ordinary Resolution 5**

4. To re-appoint Messrs. HLB Ler Lum as Auditors of the Company for the financial year ending 31 December 2019 and to authorise the Board of Directors to determine their remuneration. **Ordinary Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions:

5. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO THE COMPANIES ACT 2016 **Ordinary Resolution 7**

   "THAT pursuant to the Companies Act 2016 and the Constitution of the Company and subject to the approvals by the relevant regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES **Ordinary Resolution 8**

   "THAT, subject always to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant regulatory authority, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities ("Proposed Share Buy-Back") upon such terms and conditions as the Directors in their discretion deem fit and expedient in the best interest of the Company, provided that:

   (a) the maximum number of shares which may be purchased by the Company shall not exceed ten per cent (10%) of the total issued share capital of the Company at any point in time;

   (b) the maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the aggregate of the retained earnings of the Company;

   (c) the authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:

      (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

      (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

      (iii) revoked or varied by ordinary resolution passed by shareholders in general meeting, whichever occurs first.

AS SPECIAL BUSINESS (CONT'D)

6. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (CONT'D)

   (d) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:

      (i) to cancel the shares so purchased;

      (ii) to retain the shares so purchased as Treasury Shares;

      (iii) to distribute the Treasury Shares as dividends to shareholders;

      (iv) to resell the Treasury Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and

      (v) any combination of the above (i), (ii), (iii) and (iv).

   AND THAT authority be and is hereby given unconditionally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991) to implement or to effect the purchase(s) with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be required or imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

7. PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

   (a) "THAT approval be and is hereby given to Ooi Hock Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017." **Ordinary Resolution 9**

   (b) "THAT approval be and is hereby given to the following Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, to continue to act as Independent Non-Executive Directors of the Company in accordance with the Malaysian Code on Corporate Governance 2017:

      (i) Tan Sri Dato' Dr. Sak Cheng Lum; and **Ordinary Resolution 10**

      (ii) Mat Ripen Bin Mat Elah." **Ordinary Resolution 11**

To consider and if thought fit, to pass the following as Special Resolution:

8. PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY **Special Resolution 1**

   "THAT approval be and is hereby given to revoke the existing Constitution (previously referred to as the Memorandum and Articles of Association) of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in Part B of the Circular to Shareholders dated 30 April 2019 accompanying the Company's Annual Report for the financial year ended 31 December 2018, be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

CHEAM TAU CHERN
PC No.: 201908000002
Company Secretary

Klang
30 April 2019

Notice of Annual General Meeting (Cont'd)

NOTES:

1. Proxy

1.1 A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

1.2 In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of its attorney.

1.3 Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

1.4 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.

1.5 The instrument appointing the proxy must be deposited at the Registered Office of the Company at No. 22C, Jalan Gelugor, 41050 Klang, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting or adjournment thereof.

1.6 Only members whose names appear in the Record of Depositors as at 13 June 2019 will be entitled to attend and vote at the meeting.

1.7 Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 29th AGM will be put to vote on a poll.

2. Audited Financial Statements for financial year ended 31 December 2018

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

3. Ordinary Resolution 7 – Authority for Directors to Allot and Issue Shares

Ordinary Resolution 7, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions. As at the date of this Notice, no new shares were issued pursuant to the authority granted to the Directors at the Twenty-Eighth (28th) Annual General Meeting held on 21 June 2018, the mandate of which will lapse at the conclusion of the Twenty-Ninth (29th) Annual General Meeting to be held on 20 June 2019.

4. Ordinary Resolution 8 – Proposed Renewal of Authority for the Company to Purchase its Own Shares

The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company from time to time being quoted on Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company.

Further information on this resolution is set out in the Proposed Renewal of the Share Buy-Back Statement dated 30 April 2019, which is sent out together with the Company's 2018 Annual Report.

5. Ordinary Resolution 9 – Proposed Retention of Independent Non-Executive Director

The Board, through the Nominating Committee ("NC"), has determined that Ooi Hock Guan is fair and impartial in carrying out his duties to the Company. As Director, he continues to bring independent and objective judgements to Board deliberations and the decision-making process as a whole. He also possesses vast professional experience and brings the right mix of skills to the Board. The Board therefore endorsed the NC's recommendation for him to be retained as an Independent Director.

Shareholders' approval for Ordinary Resolution 9 will be sought on a single-tier voting basis.

6. Ordinary Resolutions 10 and 11 – Proposed Retention of Independent Non-Executive Directors

(i) Tan Sri Dato' Dr. Sak Cheng Lum

The Board, through the NC, has assessed the independence of Tan Sri Dato' Dr. Sak Cheng Lum and is satisfied that he can continue bringing independent views to the Board and safeguarding the minority interest of the Company. The Board believes his leadership quality, and knowledge and experiences will continue to contribute positively to the proceedings of the Board and the Board Committees. The Board therefore endorsed the NC's recommendation for him to be retained as an Independent Non-Executive Director.

NOTES (CONT'D):

6. Ordinary Resolutions 10 and 11 – Proposed Retention of Independent Non-Executive Directors (Cont'd)

(ii) Mat Ripen Bin Mat Elah

The Board, through the NC, has assessed the independence of Mat Ripen Bin Mat Elah and is satisfied that he is fair and impartial in carrying out his duties to the Company. As a Director, he continues to bring independent and objective judgements to Board deliberations and the decision-making process as a whole. The Board therefore endorsed the NC's recommendation for him to be retained as an Independent Non-Executive Director.

Shareholders' approval for Ordinary Resolutions 10 and 11 will be sought on a two-tier voting basis.

7. Special Resolution 1 – Proposed Adoption of the New Constitution of the Company

The proposed Special Resolution, if passed, will bring the Company's Constitution in line with the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The proposed new Constitution is set out in Part B of the Circular to Shareholders dated 30 April 2019 accompanying the Company's Annual Report for the financial year ended 31 December 2018.

The Proposed Adoption of the New Constitution of the Company shall take effect once the proposed Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the 29th AGM.

Statement Accompanying Notice of Annual General Meeting

STATEMENT ACCOMPANYING NOTICE OF THE 29TH ANNUAL GENERAL MEETING
(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

DIRECTORS WHO ARE STANDING FOR RE-ELECTION

The Directors who are offering themselves for re-election at the Twenty-Ninth (29th) Annual General Meeting of the Company are as follows:

- Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, a Director retiring under Article 100 of the Company's Constitution.
- Puan Sri Datin Catherine Yeoh Eng Neo, a Director retiring under Article 100 of the Company's Constitution.
- Steven Junior Ng Kwee Leng, a Director retiring under Article 100 of the Company's Constitution.
- Malcolm Jeremy Ng Kwee Seng, a Director retiring under the Article 100 of the Company's Constitution.

DETAILS OF BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

A total of six (6) Board Meetings were held at the Conference Room, Lot 3, Jalan Lada Sulah 16/11, Section 16, 40000 Shah Alam, Selangor Darul Ehsan during the financial year ended 31 December 2018.

All Directors have complied with the minimum attendance at Board Meetings as stipulated in the Bursa Malaysia Securities Berhad Listing Requirements during the financial year under review.

The attendance of each Director is as follows:

Name of Directors	No. of meetings attended/held	Percentage of Attendance (%)
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	6/6	100%
Dato' Milton Norman Ng Kwee Leong	6/6	100%
Puan Sri Datin Catherine Yeoh Eng Neo	6/6	100%
Tan Sri Dato' Dr. Sak Cheng Lum	5/6	83%
Datuk Ng Thian Kwee	6/6	100%
Mat Ripen Bin Mat Elah	6/6	100%
Tan Jiu See	4/6	67%
Steven Junior Ng Kwee Leng	5/6	83%
Malcolm Jeremy Ng Kwee Seng	6/6	100%
Ooi Hock Guan	6/6	100%
Ooi Hun Yong	5/5	100%

ORDINARY RESOLUTION ON AUTHORITY TO ISSUE AND ALLOT NEW ORDINARY SHARES IN AMVERTON BERHAD

Details of the general mandate to issue and allot shares of Amverton Berhad pursuant to the Companies Act 2016 are set out in the Explanatory Notes of the Notice of the 29th Annual General Meeting set out on page 4 of this Annual Report.

DETAILS ON DIRECTORS WHO ARE STANDING FOR RE-ELECTION

Particulars of Directors:

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock
Gender: Male
Nationality: Malaysian
Directorship: Executive Chairman (Non-Independent and Executive Director)
Age: 71
Appointed Date: 22 November 1994

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock graduated with an Honours Degree in Civil Engineering from the University of Malaya. Prior to founding the Company, he began his career in 1970 as an engineer in Perbadanan Urus Air Selangor Berhad before appointed as a Municipal Councillor of Majlis Perbandaran Klang to assist in the development and growth of the Klang district. He was also the State Executive Councillor for the Selangor Government, State Assemblyman for the Barisan Nasional Party for the Selat Klang and Pandamaran constituencies and a Senator for the Government. Tan Sri Dato' Ng was appointed to the Board of Hil Industries Berhad ("Hil") on 4 July 2002 as Executive Chairman. Tan Sri Dato' Ng is a substantial shareholder of the Company. He is the spouse of Puan Sri Datin Catherine Yeoh Eng Neo, father of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng. He is also the brother of Datuk Ng Thian Kwee.

Puan Sri Datin Catherine Yeoh Eng Neo
Gender: Female
Nationality: Malaysian
Directorship: Non-Independent and Executive Director
Age: 72
Appointed Date: 2 July 2009

Puan Sri Datin Catherine Yeoh Eng Neo holds a Bachelor of Arts majoring in Economics from University of Malaya. Puan Sri Datin Catherine Yeoh Eng Neo is a substantial shareholder of the Company by virtue of her spouse' and sons' shareholdings. She is the spouse of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and mother of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng.

Steven Junior Ng Kwee Leng
Gender: Male
Nationality: Malaysian
Directorship: Non-Independent and Executive Director
Age: 38
Appointed Date: 20 July 2004

Mr. Steven Junior Ng Kwee Leng holds a Bachelor of Commerce Degree majoring in Finance and Marketing with a minor in Business Law, from University of Western Australia. Prior to his appointment as Executive Director, he was the General Manager of the Group. At present, he oversees the sales and marketing operations of the Group. Mr. Steven Ng is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is also the son of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and Puan Sri Datin Catherine Yeoh Eng Neo, brother of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong and Mr. Malcolm Jeremy Ng Kwee Seng and nephew of Datuk Ng Thian Kwee.

Malcolm Jeremy Ng Kwee Seng
Gender: Male
Nationality: Malaysian
Directorship: Non-Independent and Executive Director
Age: 33
Appointed Date: 15 September 2008

Mr. Malcolm Jeremy Ng Kwee Seng graduated with double degrees majoring in Accounting and Law from Murdoch University, Western Australia in 2008. Mr. Malcolm Ng was appointed to the Board of Hil on 8 September 2008. After graduating, he had spent a brief period in MIMB Investment Bank Bhd before joining the Group. Currently, he oversees the finance and accounting operations of the Group. Mr. Malcolm Ng is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is the son of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and Puan Sri Datin Catherine Yeoh Eng Neo, brother of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong and Mr. Steven Junior Ng Kwee Leng and nephew of Datuk Ng Thian Kwee.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Ng Boon Thong
@ Ng Thian Hock
(*Chairman)*

Dato' Milton Norman Ng Kwee Leong
(Managing Director)
(Redesignated on 22.1.2018)

Puan Sri Datin Catherine Yeoh Eng Neo
(*Executive Director)*

Tan Sri Dato' Dr. Sak Cheng Lum
(*Independent Non-Executive Director)*

Datuk Ng Thian Kwee
(*Executive Director)*

Mat Ripen Bin Mat Elah
(*Independent Non-Executive Director)*

Tan Jiu See
(*Independent Non-Executive Director)*
(Resigned on 10.4.2019)

Steven Junior Ng Kwee Leng
(*Executive Director)*

Malcolm Jeremy Ng Kwee Seng
(*Executive Director)*

Ooi Hock Guan
(*Independent Non-Executive Director)*

Ooi Hun Yong
(Independent Non-Executive Director)
(Appointed on 2.4.2018)

AUDIT COMMITTEE

Tan Sri Dato' Dr. Sak Cheng Lum
(*Chairman)*

Mat Ripen Bin Mat Elah

Ooi Hock Guan

NOMINATING COMMITTEE

Tan Sri Dato' Dr. Sak Cheng Lum
(*Chairman)*

Mat Ripen Bin Mat Elah

Dato' Milton Norman Ng Kwee Leong

REMUNERATION COMMITTEE

Tan Sri Dato' Dr. Sak Cheng Lum
(*Chairman)*

Mat Ripen Bin Mat Elah

Dato' Milton Norman Ng Kwee Leong

SUSTAINABILITY COMMITTEE

Tan Sri Dato' Dr. Sak Cheng Lum
(*Chairman)*

Dato' Milton Norman Ng Kwee Leong

Ooi Hock Guan

Ooi Hun Yong

COMPANY SECRETARY

Cheam Tau Chern
(PC No. : 201908000002)

REGISTERED OFFICE

PD Professional Advisory Sdn. Bhd.
No. 22C, Jalan Gelugor,
41050 Klang,
Selangor Darul Ehsan.
Tel : +603-3342 0608

BUSINESS OFFICE

10th Floor, Menara Amverton,
Garden Business Centre,
No. 3, Jalan Istana,
41000 Klang,
Selangor Darul Ehsan.
Tel : +603-3373 2888
Fax : +603-3372 8858

REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : +603-2783 9299
Fax : +603-2783 9222

Tricor's Customer Service Centre
Unit G-3, Ground Floor, Vertical Podium,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

AUDITORS

HLB Ler Lum, Chartered Accountant,
A Member of HLB International

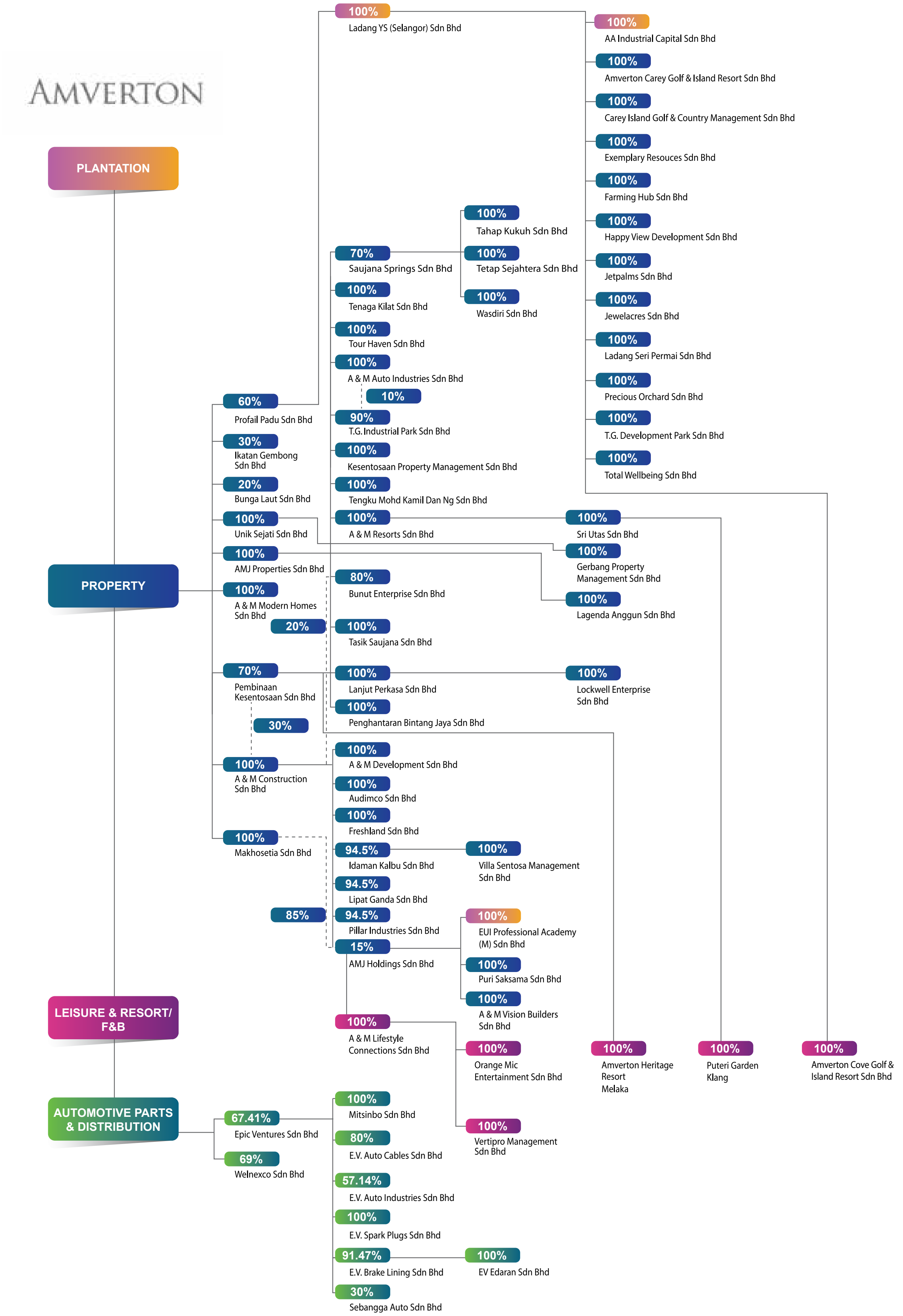
PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad
CIMB Bank Berhad

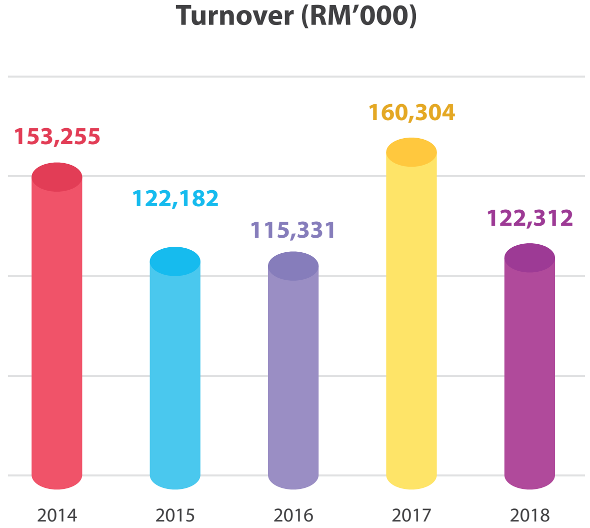
STOCK EXCHANGE LISTING

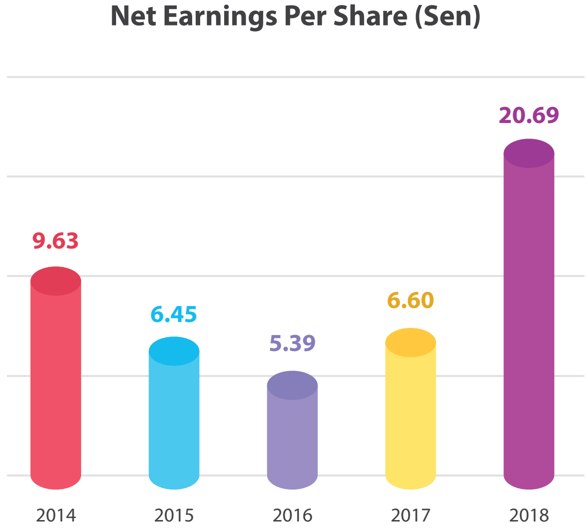
Main Market of Bursa Malaysia
Securities Berhad
Stock Name : AMVERTON
Stock Code : 5959
Sector : Properties
Listing Date : 20 January 1995

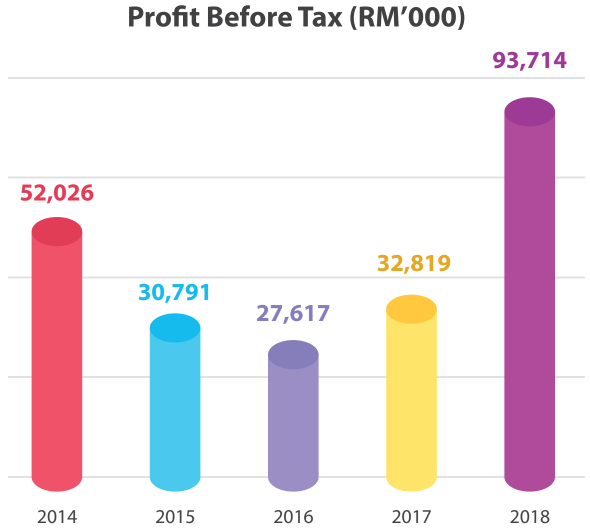
Corporate Structure

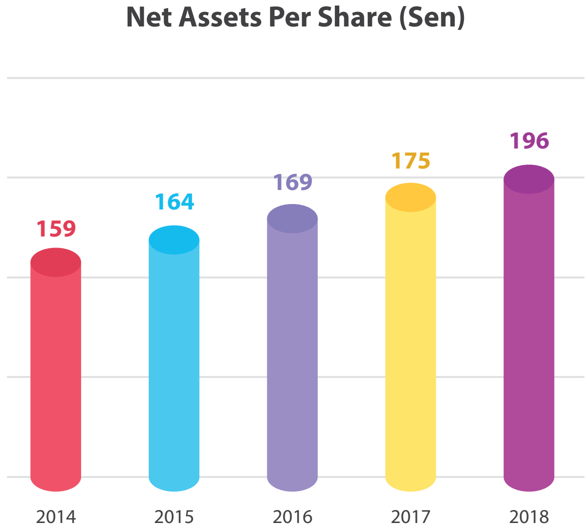


Group Financial Highlights









Financial year ended 31st December	2014 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2018 (RM'000)
Turnover	153,255	122,182	115,331	160,304	122,312
Profit before tax	52,026	30,791	27,617	32,819	93,714
Profit after tax attributable to owners of the Company	35,148	23,536	19,682	24,112	75,549
Equity attributable to owners of the Company	578,937	596,997	616,679	639,659	714,528

Financial year ended 31st December	2014 (Sen)	2015 (Sen)	2016 (Sen)	2017 (Sen)	2018 (Sen)
Net earnings per share	9.63	6.45	5.39	6.60	20.69
Dividend per share	1.50	1.50	0.00	0.00	0.00
Net assets per share	159	164	169	175	196

Management Discussion & Analysis

GROUP BUSINESS AND OPERATION OVERVIEW

Amverton Berhad ("AMVERTON" or "the Group") is an investment holding company listed on the Malaysian Stock Exchange on 20 January 1995. From its core business of property development and construction, the Group's business activities have since diversified and expanded to include hotels and resorts, plantations as well as the distribution of automotive parts and accessories.

AMVERTON

ECONOMIC OVERVIEW

For the whole year of 2018, the Malaysian economy grew 4.7%, in comparison to a 5.9% expansion in 2017. The Malaysian economy is expected to face a challenging year ahead in 2019 as it might encounter both domestic and foreign external headwinds. Lingering uncertainties on the US-China trade disputes, global pressure points such as the UK's Brexit deal, the erratic movements of global oil prices, geopolitical and political risks are all affecting growth for the current year. Even though the US-China trade war has ended in the first quarter of 2019, there are still uncertainties in the trade directions, causing instability in the financial markets.

Domestically, the ringgit is now affected by the volatility of the financial market, as short term investors continuously rebalance their portfolio due to different monetary policies. As for Amverton, there is the concern of the large property overhang, and the figure is increasingly alarming since 2018 as the data from the National Property Information Centre has been registering a consistent uptrend. RHB Research stated that property sales are expected to remain flat in 2019, as many developers remain cautious amid subdued sentiment levels. As such, developers are either lowering or maintaining their sales target for 2019.

The agricultural sector is also projected to grow at a slower pace, with oil palm prices being haunted by sluggish demands. The division has not seen the effect of El Nino which is expected to bring supply down and combat falling prices.

Domestic investors are still adjusting to the new political landscape and policy transition. Policy clarity and consistency as well as pragmatism are keys to ensuring sustainable investment. Cautious consumer spending would also incur a sharp deceleration in private investment as investors remained highly wary about external headwinds.

In the event of a slower global growth, the Malaysian economy is relying heavily on domestic demand to steer growth. Accordingly, the growth projection for this year maintain at 4.5%. The growth is expected to pick up a little next year in the range of 4.5-5.5%.

FINANCIAL REVIEW

The Group posted a profit before taxation of RM93.714 million for the financial under review as compared to RM32.819 million last year. This was achieved on the back of revenue of RM122.312 million. A higher profit before taxation for financial year 2018 as compared to financial year 2017 was mainly due to gain on compulsory land acquisition amounting to RM67.772 million (2017: RM5.397 million) in the financial under review.

The Group recorded total assets and total liabilities amounting to RM908.800 million and RM169.740 million respectively while the equity attributable to owners of the Company stood at RM714.528 million. For the year under review, the Group registered a basic earnings per share of 20.69 sen (2017: 6.60 sen) and net assets per share of RM1.96 (2017: RM1.75).

Liquidity and Capital Resources

The Amverton Group places extreme focus on being in a net positive cash position. As such, the group continues to ensure that our projects can achieve its targeted profitability level before embarking on launching new development projects. This is to ensure that the Group do not hold high inventories of unsold stocks.

As of 31 December 2018, our cash and cash equivalents totalled an amount of RM72.181 million as compared to last year, RM71.088 million. The net cash generated from operations was RM12.943 million of which approximately RM5.687 million was reinvested in capital expenditure. The additional capital cost incurred was mainly incurred for remaining refurbishment cost for Amverton Heritage Resort, located at Melaka and new development cost for Water Park and Nature's Adventure Park in Amverton Cove Golf & Island Resort at Carey Island.

On balance, our financial position remains stable and we will be able to fund our planned development activities comfortably in the coming year. The group will continue self-financing any capital expenditure and working capital requirements needed in the near future. Simultaneously, AMVERTON will constantly be on the lookout for strategic landbank that has the potential to generate income growth and positive returns.

Gearing

The Group continues to fund all its projects internally with zero property gearing. The total Group loans, generated solely from finance lease facilities reduced from RM679 thousand to RM473 thousand as compared by the financial year ended 2017 and 2018.

Dividend

In line with our Group direction of zero property gearing, the Board of Directors does not recommend any payment of dividends for the financial year ended 31 December 2018 in order to conserve the Group's financial resources for capital expenditure and working capital requirements.

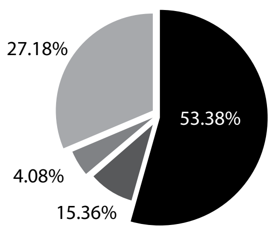
OPERATIONAL REVIEW

For the financial year ended 31 December 2018, I am pleased to report that the performances of the respective divisions are as follow :-

Segmental Analysis

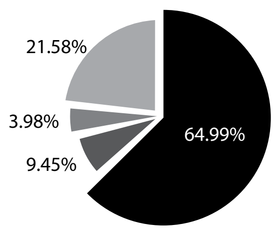
Operation Revenue

2018

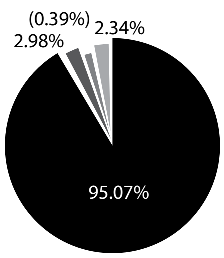


	2018 %	2017 %
Property Development & Construction	53.38	64.99
Leisure & Resort	15.36	9.45
Agricultural & Plantation	4.08	3.98
Automotive Parts & Distribution	27.18	21.58

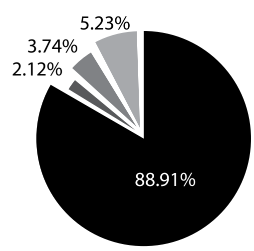
2017



Profit before Tax



	2018 %	2017 %
Property Development & Construction	95.07	88.91
Leisure & Resort	2.98	2.12
Agricultural & Plantation	(0.39)	3.74
Automotive Parts & Distribution	2.34	5.23



Management Discussion & Analysis (Cont'd)

PROPERTY DEVELOPMENT & CONSTRUCTION SERVICES DIVISION

This segment has been and will continue being the mainstay of the Group's operations. The Property Division is the Group's primary and major income generator. Property development activities contribute a majority of 53.38% (2017: 64.99%) to the Group's revenue and 95.07% (2017: 88.91%) of its profit before taxation for the current financial year under review.

Property development registered a lower revenue as due to a cautious stance towards new launches over the past 2 years in view of the weak property market. No new projects were launched throughout the year 2018. Despite lesser sales, the Division reported a higher profit owing to gain from compulsory land acquisition by government amounting to RM67.772 million.

The Division registered a decrease of 37.33% in revenue to RM65.290 million as compared to RM104.182 million in the previous year. Whereas, profit before tax increased by 205.33% to RM89.096 million for 2018 compared to RM29.180 million in 2017.

Since the last financial year, we have successfully completed and handed over vacant possession of 66 units Semi-D at Amverton Hills, Sg. Buloh.

As highlighted above, profit performance has also slowed in tandem with lesser development activities. Landed residential development in Klang and Sg. Buloh remain as the mainstay of the Group's development activities for 2019. The Group also has planned to develop mixed commercial and residential properties, as well as retail and leisure amenities at Carey Island.

Due to market constraints, our Group will focus on current ongoing projects. The launching of new property projects will be deferred until the economy improves.

AGRICULTURAL & PLANTATION DIVISION

The plantation revenue decreased by 21.66% to RM4.995 million for the current financial year under review as compared to RM6.376 million in the previous financial year. The Division reported a loss before tax of RM0.371 million as compared to a profit of RM1.229 million in the previous financial year. The continuous drop in CPO prices has led to the decrease in revenue and loss in 2018.

2019 is likely to be even more challenging for the plantation sector. The plantation segment is expected to show marginal profit in anticipation of higher average CPO prices for the year 2019 as compared to 2018. While CPO prices are expected to stay stagnant, the Group will continue its efforts to maximize operational efficiencies as well as mitigating the impact of rising in fertilizer and chemical costs.

The management, nevertheless, will continue to implement the industry's best practices to ensure maximum sustainable FFB output in 2019.

LEISURE AND RESORT DIVISION

This Division recorded a 23.97% increase in revenue to RM18.781 million for the current financial year as compared to RM15.150 million in the previous financial year. The Division posted a higher PBT of RM2.795 million against RM0.696 million in financial year 2017. The improvement in sales performance for the newly refurbished and successful rebranding hotel in Melaka, namely, Amverton Heritage Resort ("AHR"), coupled with better performance of Amverton Cove Golf & Island Resort has led to an increase in revenue and profit for the current financial year.

Moving forward, the Group expects higher sales generated from the hotel & leisure related services segment due to the improvements and new attractions that will be available soon in Carey Island, such as the Water Park and Nature's Adventure Park.

The Group expects the division to continue growing and contribute positively to the Group's results in the coming year.

AUTOMOTIVE PARTS AND DISTRIBUTION DIVISION

The division recorded an increase of 27.93% in profit to RM2.194 million for the financial year under review (2017: RM1.715 million) on the back of a slight decrease in revenue to RM33.246 million (2017: RM34.597 million). Despite the drop in turnover, the division achieved higher profit due to stringent cost control and better profitability contribution from its renewed product mix.

The management will continue to proactively work towards identifying correct product mixes, implementing aggressive marketing efforts as well as improving efficiencies to counter rising costs, thus to gain higher margins and results.

In addition, we are also looking forward to new and exciting product launches that can sustain our performance moving forward.

OUTLOOK OF FUTURE PROSPECTS

Moving forward, economic growth is estimated to remain on a steady growth path in 2019, driven mainly by domestic demand amid continuing fiscal rationalization while external sector is likely to slow down with moderating global demand.

The slight upward revision in rates of real property gains tax and stamp duty announced under Budget 2019 are unlikely to have significant impact on the high-end condominium sector, although the acquisition and disposal costs in property transactions may be higher.

In contrast, the exemptions and initiatives, in particular the waiver of stamp duty on the instrument of transfer and loan agreement for residential homes valued up to RM300,000 for a two-year period and the six-months waiver of stamp duty charges for properties priced from RM300,001 to RM1.0 million, are expected to kick-start the housing market moving into 2019 and beyond.

The introduction of alternative financing through 'property crowdfunding' will further assist first time homebuyers. Although lauded, it is imperative that the innovative financing platform is governed by stringent guidelines across the entire ecosystem to avoid potential sub-prime mortgage crisis moving forward.

Given the challenging marketplace, we focus our development strategy on launching mainly affordable landed products in our townships. The Group will continue to remain cautious for the current year in question.

NOTE OF APPRECIATION

On behalf of the Board of the Company, I would like to extend my sincere gratitude to our Board members for contributing towards the Group's continuing success in challenging times. I would also like to convey my deep appreciation to all the management and staffs for your dedication and commitments as we continue to grow. AMVERTON's progress would not have been possible without the efforts of so many.

Further, on behalf of the Board of Directors, I would like to welcome Mr. Ooi Hun Yong, who joined the Board as an independent Non-Executive Director on 2 April 2018, we look forward to his participation and contribution to the Board.

Last but not least, we would like to extend our heartfelt appreciation to our valued customers and tenants, bankers, relevant government authorities and agencies, vendors, suppliers, partners and stakeholders for your unwavering support over the years. With all the continued support given by all, we look forward to another successful year ahead.

Profile of Board of Directors

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock
Gender: Male
Nationality: Malaysian
Directorship: Executive Chairman (Non-Independent and Executive Director)
Age: 71
Appointed Date: 22 November 1994

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock graduated with an Honours Degree in Civil Engineering from the University of Malaya. Prior to founding the Company, he began his career in 1970 as an engineer in Perbadanan Urus Air Selangor Berhad before appointed as a Municipal Councillor of Majlis Perbandaran Klang to assist in the development and growth of the Klang district. He was also the State Executive Councillor for the Selangor Government, State Assemblyman for the Barisan Nasional Party for the Selat Klang and Pandamaran constituencies and a Senator for the Government. Tan Sri Dato' Ng was appointed to the Board of Hil Industries Berhad ("Hil") on 4 July 2002 as Executive Chairman. Tan Sri Dato' Ng is a substantial shareholder of the Company. He is the spouse of Puan Sri Datin Catherine Yeoh Eng Neo, father of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng. He is also the brother of Datuk Ng Thian Kwee.

Puan Sri Datin Catherine Yeoh Eng Neo
Gender: Female
Nationality: Malaysian
Directorship: Non-Independent and Executive Director
Age: 72
Appointed Date: 2 July 2009

Puan Sri Datin Catherine Yeoh Eng Neo holds a Bachelor of Arts majoring in Economics from University of Malaya. Puan Sri Datin Catherine Yeoh Eng Neo is a substantial shareholder of the Company by virtue of her spouse' and sons' shareholdings. She is the spouse of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and mother of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng.

Tan Sri Dato' Dr. Sak Cheng Lum
Gender: Male
Nationality: Malaysian
Directorship: Independent and Non-Executive Director
Age: 75
Appointed Date: 1 March 2000

Tan Sri Dato' Dr. Sak Cheng Lum graduated with a Degree in Medicine from the University of Singapore in1968, and served as a medical officer in the government service before going into private practice. His commitments to the nation can be seen from his former appointments including his election as the State Assemblyman under the Barisan National party for the seat of Bagan Jermal in Penang, appointments as Penang State Executive Councillor, Senator and Parliamentary Secretary of Ministry of Domestic Trade and Consumer Affair. He is Chairman of the board of trustees of UTAR Education Foundation. He is also the Chairman of Audit, Remuneration and Nomination Committee of Amverton Berhad. Tan Sri Dato' Dr. Sak was appointed to the Board of Hil on 16 February 2007 as an Independent Director. He is also a member of Audit Committee of Hil. Tan Sri Dato' Dr. Sak was appointed as an Independent Director on the Board of Xinghe Holdings Berhad from 6 August 2013 to 31 August 2016. Tan Sri Dato' Dr. Sak was appointed as an Independent Non-Executive Chairman of Eversafe Rubber Berhad ("Eversafe") on 30 May 2016. He is also a member of Audit Committee and Chairman of both Remuneration Committee and Nominating Committee in Eversafe. Tan Sri Dato' Dr. Sak does not have any interest in the securities of the Company, neither does he have any family relationship with any Director and/or major shareholder of the Company.

Datuk Ng Thian Kwee
Gender: Male
Nationality: Malaysian
Directorship: Non-Independent and Executive Director
Age: 57
Appointed Date: 22 November 1994

Datuk Ng Thian Kwee holds an Honours Degree in Bachelor of Science (Engineering) and Master Degree in Construction, both from United Kingdom. He has vast experience in handling development and construction projects. At present, he oversees the development and construction operations of the Group. Datuk Ng does not have any interest in the securities of the Company. He is the brother of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and uncle of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng.

Profile of Board of Directors (Cont'd)

Mat Ripen Bin Mat Elah
Gender: Male
Nationality: Malaysian
Directorship: Independent and Non-Executive Director
Age: 79
Appointed Date: 9 September 2000

En. Mat Ripen Bin Mat Elah graduated from National Chengchi University Taiwan with a Bachelor of Laws L.L.B (Taiwan). He has served in various capacities in UMNO, and was formerly a political secretary to Chief Minister of Selangor. En. Mat Ripen was appointed to the Board of Hil on 20 February 2004 as an Independent Director. He is also the member of Audit, Remuneration and Nomination Committee of the Company. En. Mat Ripen does not have any interest in securities of the Company, neither does he have any family relationship with any Director and/or any major shareholder of the Company.

Dato' Milton Norman Ng Kwee Leong
Gender: Male
Nationality: Malaysian
Directorship: Managing Director (Non-Independent and Executive Director)
Age: 48
Appointed Date: 2 July 2012

Dato' Milton Norman Ng Kwee Leong was appointed to the Board of Director on 2 July 2012. Dato' Milton Ng graduated with an Honours Degree in Law from the University of Western Australia in 1994. After graduating, he spent 9 months doing his pupilage in the legal office of Shearn Delamore and was admitted to the Malaysian Bar as an Advocate and Solicitor in May 1995. He spent a further 6 months in Shearn Delamore before joining Hil in December 1995 as general manager where he was responsible for the day-to-day operations of the Company. Dato' Milton Ng is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is the son of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and Puan Sri Datin Catherine Yeoh Eng Neo, brother of Dato' Ambrose Leonard Ng Kwee Heng, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng and nephew of Datuk Ng Thian Kwee.

Steven Junior Ng Kwee Leng
Gender: Male
Nationality: Malaysian
Directorship: Non-Independent and Executive Director
Age: 38
Appointed Date: 20 July 2004

Mr. Steven Junior Ng Kwee Leng holds a Bachelor of Commerce Degree majoring in Finance and Marketing with a minor in Business Law, from University of Western Australia. Prior to his appointment as Executive Director, he was the General Manager of the Group. At present, he oversees the sales and marketing operations of the Group. Mr. Steven Ng is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is also the son of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and Puan Sri Datin Catherine Yeoh Eng Neo, brother of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong and Mr. Malcolm Jeremy Ng Kwee Seng and nephew of Datuk Ng Thian Kwee.

Malcolm Jeremy Ng Kwee Seng
Gender: Male
Nationality: Malaysian
Directorship: Non-Independent and Executive Director
Age: 33
Appointed Date: 15 September 2008

Mr. Malcolm Jeremy Ng Kwee Seng graduated with double degrees majoring in Accounting and Law from Murdoch University, Western Australia in 2008. Mr. Malcolm Ng was appointed to the Board of Hil on 8 September 2008. After graduating, he had spent a brief period in MIMB Investment Bank Bhd before joining the Group. Currently, he oversees the finance and accounting operations of the Group. Mr. Malcolm Ng is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is the son of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and Puan Sri Datin Catherine Yeoh Eng Neo, brother of Dato' Ambrose Leonard Ng Kwee Heng, Dato' Milton Norman Ng Kwee Leong and Mr. Steven Junior Ng Kwee Leng and nephew of Datuk Ng Thian Kwee.

Profile of Board of Directors (Cont'd)

Ooi Hock Guan
Gender: Male
Nationality: Malaysian
Directorship: Independent and Non-Executive Director
Age: 53
Appointed Date: 26 February 2009

Mr. Ooi Hock Guan holds a degree in Economics from the University of Leicester, United Kingdom and is a Professional Member of the Institute of Internal Auditors Malaysia. After graduating, he has spend a total of 14 years with Royal Selangor Pewter and GCH Retail (Malaysia) Sdn. Bhd. (Giant Hypermarket) specializing in Internal Audit and Finance before joining the Group. He is a member of the Audit Committee of the Company. Mr. Ooi was appointed to the Board of Hil on 26 February 2009 as an Independent Director. He is also a member of Audit Committee of Hil. Mr. Ooi does not have any interest in the securities of the Company, neither does he have any family relationship with any Director and/or major shareholder of the Company.

Ooi Hun Yong
Gender: Male
Nationality: Malaysian
Directorship: Independent and Non-Executive Director
Age: 39
Appointed Date: 2 April 2018

Mr. Ooi Hun Yong was appointed to the Board on 2 April 2018. He graduated with a Bachelor of Commerce (Accounting & Finance) from the University of Sydney, Australia. He is also a member of the Malaysian Institute of Accountants (MIA), the Institute of Internal Auditors Malaysia as well as CPA Australia. Mr Ooi has over 14 years of experience in the field of corporate planning and finance covering mergers and acquisitions, fund raising exercises and financial structuring. He was formerly I-Berhad independent non-executive director and the Chairman of the Audit, Nominating and Remuneration Committees of I-Berhad. He was formerly the Chief Financial Officer of Green Ocean Corporation Bhd, which he joined in 2012. In 2014, he was appointed as Head of Commercial & Economics of DNEX Petroleum Sdn. Bhd., a subsidiary of Dagang Nexchange Berhad and left the Group in 2016. His notable achievements included structuring the acquisition and sale and leaseback of directional drilling tools with Baker Hughes as well as structuring the acquisition of Ping Petroleum during his tenure with DNEX Petroleum. He was also instrumental in completing the fund raising exercise for Green Ocean Corporation Bhd. Mr. Ooi, hold 50,000 ordinary shares in Amverton Berhad, he does not have any family relationship with any Director and/or any major shareholder of the Company.

OTHER INFORMATION

(a) None of the Directors has any conflict of interest with the Company and none has been convicted of any offences in the past five years.

(b) By virtue of their interests in the Company, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, Puan Sri Datin Catherine Yeoh Eng Neo, Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng are also deemed to be interested in the shares of all the subsidiaries to the extent of the Company's interests in the respective subsidiaries. In addition, their direct and indirect interests in the share capital of the subsidiaries during the financial year were as follows:

	Number of ordinary shares			
	Balance at 1.1.2018	Acquired	Disposed	Balance at 31.12.2018
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, Puan Sri Datin Catherine Yeoh Eng Neo, Dato' Milton Norman Ng Kwee Leong, Steven Junior Ng Kwee Leng and Malcolm Jeremy Ng Kwee Seng				
- deemed interest				
Idaman Kalbu Sdn. Bhd.	74,250	-	-	74,250
Lipat Ganda Sdn. Bhd.	99,046	-	-	99,046
Pillar Industries Sdn. Bhd.	161,910	-	-	161,910
Profail Padu Sdn. Bhd.	1,600,000	-	-	1,600,000

Key Senior Management Team

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock
Executive Chairman (Non-Independent and Executive Director)

- Active role in board of directors and providing strategic oversight of business
- Graduated with Honours Degree in Civil Engineering from the University of Malaysia
- Appointed to the board in 1994

Dato' Milton Norman Ng Kwee Leong
Managing Director (Non-Independent and Executive Director)

- Responsible for the performance of the Group, strategic planning and corporate affairs
- Graduated with Honours Degree in Law from the University of Western Australia
- Appointed to the board in 2012

Steven Junior Ng Kwee Leng
Non-Independent and Executive Director

- Responsible for marketing and project management
- Graduated with Bachelor of Commerce Degree majoring in Finance and Marketing with a minor in Business Law from University of Western Australia
- Appointed to the board in 2004

Malcolm Jeremy Ng Kwee Seng
Non-Independent and Executive Director

- Responsible for managing corporate finance
- Graduated with double degrees majoring in Accounting and Law from Murdoch University, Western Australia
- Appointed to the board in 2008

Dato' Ambrose Leonard Ng Kwee Heng
Advisor

Gender: Male
Nationality: Malaysian
Age: 51

- Offers advice and guidance to the management
- Graduated with a Bachelor of Commerce Degree from the University of Western Australia
- Appointed as advisor on 1 February 2018

Dato' Ambrose Leonard Ng Kwee Heng graduated with a Bachelor of Commerce from the University of Western Australia. Being a Chartered Accountant, he is also a member of the Malaysian Institute of Accountants (MIA) and also a Fellow Member of Certified Practising Accountants (FCPA). He has vast experience in the property and construction industry, having hands-on involvement in the management, financial and project management of the Group prior to his resignation as Managing Director of AMVERTON. In addition, he was formerly Deputy Chairman of Selangor Real Estate and Housing Developers' Association Malaysia and Chairman of Klang/Shah Alam Zone Committee. Dato' Ambrose Ng is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is the son of Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and Puan Sri Datin Catherine Yeoh Eng Neo, brother of Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng and nephew of Datuk Ng Thian Kwee.

None of the above key senior management team has any conflict of interest with the Company and none has been convicted of any offences in the past five years.

Profiles of above key senior management team are stated in the "Profile of Board of Directors" of this Annual Report.

Corporate Governance Overview Statement

The Corporate Governance Overview Statement is made pursuant to paragraph 15.25(1) of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of MMLR and the Corporate Governance Guide (3rd Edition) issued by Bursa Securities.

The Board is pleased to report on the application of the Recommended Practices of the Malaysian Code on Corporate Governance ("MCCG") as required under the MCCG and the MMLR of Bursa Securities during the financial year under review.

The application of the each practice set out in the MCCG during the financial year under review is disclosed under AMVERTON's Corporate Governance Report published on AMVERTON's corporate website at www.amverton.com as well as via an announcement on the website of Bursa Securities.

The Corporate Governance Overview Statement should be read in tandem with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Report).

The Board of Directors recognise the importance of good corporate governance and is committed to ensure that a high standard of corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Company and the Group.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

In manifesting the Group's commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as other better practices. AMVERTON has applied all the Practices encapsulated in MCCG for the financial year ended 31 December 2018 except:

- Practice 4.1 (Board to comprise at least half Independent Directors)

In line with the latitude accorded in the application mechanism of MCCG, the Company has provided forthcoming and appreciable explanations for the departures from the said practices. The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

ESTABLISH CLEAR ROLES AND RESPONSIBLITIES

Clear Functions of the Board and Management
The Group acknowledges the pivotal role played by the Board of Directors in the stewardships of its direction and operations. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for Management and monitoring the achievement of these goals.

The Board is responsible for oversight of the Company. Key matters reserved for the Board's approval include the following:-

- Approval of financial results
- Declaration of dividend
- Annual business plan
- Acquisition or disposal of material fixed assets

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to four (4) sub-committees (Audit, Nominating, Remuneration and Sustainability Committees). The details of the Audit Committee are set out on page 27 to 28 while the details of the Nominating and Remuneration Committees are set out below. These Committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board. To meet the recommendations of the MCCG, the Board set up the Nomination Committee and Remuneration Committee on 29 March 2002.

The daily operations have been delegated to management. Management has been given the authority to decide on operation matters within certain set limits where quick decisions are important to the growth and success of the Company. Management is however accountable to the Board and must refer to the Board for decision where the matters are material and involves strategic decisions.

Directors' roles and responsibilities
The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of shareholders' value. The Board is primarily responsible for:

- Reviewing and adopting the strategic plans for the Group;
- Overseeing the conduct and performance of the Group to ensure they are being properly and appropriately managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing investor relations programme or shareholders communication policy for the Group; and
- Reviewing the adequacy and integrity of the Group's management information and internal control systems.

ESTABLISH CLEAR ROLES AND RESPONSIBLITIES (CONT'D) :

Formalised Ethical Standards through Code of Ethics
The Directors continue to adhere to the Company Directors' Code of Ethics established which is based on principles in relation to integrity, compliance with legal and regulatory requirements and Company policies and accountability in order to enhance the high standards of corporate governance and behavior.

Strategies Promoting Sustainability
The Board has formulated a Sustainability Policy which sets out the business strategy that drives long-term corporate growth and profitability, by including environmental and social issues in the business model.

Disclosure on corporate social responsibility are presented under "Corporate Social Responsibility Statement" of this Annual Report and also published on Company's website at www.amverton.com.

Access to Information and Advice
All Board meetings are structured with a pre-set agenda. Board papers providing updates on operation, financial and corporate developments as well as minutes of meetings of the Board Committees are circulated 7 days prior to the meetings to give Directors time to deliberate on the issues to be raised at the meetings.

All the Directors have been granted unrestricted access to all information pertaining to the Group's business and affairs as well advice and services of the Company Secretaries in order to assist them in their decision making. Where necessary, the Directors may engage independent professionals, at the Group's expense, to advise them on specialized issues for the purpose of decision making.

Qualified and Competent Company Secretary
The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its functions. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary supports the Board in managing the Company's governance model, ensuring it is effective and relevant. The Company Secretary will monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation.

During the year, the Company Secretary attended all Board meetings and ensure that the deliberations in terms of the issues discussed and decisions made thereof, were accurately and sufficiently recorded, and properly kept for the purposes of meeting statutory regulations, Bursa Malaysia Listing Requirements or other regulatory requirements.

Board Charter
The Board Charter has been posted on the Company's website after the Board's approval for adoption. In the course of establishing a board charter, the Board recognises the importance to set out the key values, principles and ethos of the Company, as policies and strategy development are based on these considerations. The Board Charter is expected to include the division of responsibilities and powers between the Board and management as well as the different committees established by the Board.

STRENGTHEN COMPOSITION

Nominating Committee

Tan Sri Dato' Dr. Sak Cheng Lum	(Independent and Non-Executive Director)-Chairman
Mat Ripen Bin Mat Elah	(Independent and Non-Executive Director)
Dato' Milton Norman Ng Kwee Leong	(Non-Independent and Executive Director)

The terms of reference of the Nominating Committee include:
- Annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have;
- Assess on annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director, including Independent Non-Executive Directors, as well as the Managing Director;
- Assess on annual basis, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. To be retained as Independent Director, the Board must justify and seek annual shareholder's approval for a person who has serve in that capacity for more than nine (9) years; if the Board continues to retain the Independent Director after the twelfth (12^{th}) year, the Board should seek annual shareholders' approval through a two-tier voting process;
- Recommends to the Board, candidates for all directorship to be filled by shareholders or the Board, including those proposed by the Managing Director or any senior executives of the Company;
- Recommends Directors to the Board to fill the seats on Board Committees; and
- Carry out its responsibilities with the assistance and services of a Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the MMLR of the Bursa Securities or other regulatory requirements.

STRENGTHEN COMPOSITION (CONT'D)

Nominating Committee (Cont'd)
In making its recommendations, the Nominating Committee should consider the candidates':

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The Nominating Committee held two (2) meetings during the financial year ended 31 December 2018. During the year under review, the Nominating Committee carried out its duties in accordance with its Terms of Reference. These include:

- Review and assess the effectiveness of the Board as a whole and the Audit Committee;
- Review and assess the mix of skills, experience and competencies of each individual Director;
- Review and recommend to the Board, the re-appointment of the Directors who will be retiring at the forthcoming AGM of the Company; and
- Review and recommendation to the Board, the retention of the Independent Non-Executive Directors in accordance with the MCCG.

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors
The MCCG endorses as good practice, a formal procedure for appointments to the Board, with a Nominating Committee making recommendation to the Board. The Code, however, states that this procedure may be performed by the Board as a whole, although, as a matter of best practice, it recommends that this responsibility be delegated to a committee.

In previous years, the appointment of any additional Director was made as and when deemed necessary by the existing Board with due consideration given to the mix of expertise and experience required for an effective Board. Pursuant to its set up on 29 March 2002, the Nomination Committee is responsible for making recommendations for any appointment to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

In respect of the appointment of Directors, the Company practices a clear and transparent nomination process which involves the following five (5) stages:

Stage 1: Identification of candidates
Stage 2: Evaluation of suitability of candidates
Stage 3: Meeting up with candidates
Stage 4: Final deliberation by the Nomination and Remuneration Committee
Stage 5: Recommendation to the Board

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the first Annual General Meeting after the appointment.

In accordance with the Constitution, one-third (1/3) of the remaining Directors, are required to submit themselves for re-election by rotation at each Annual General Meeting. In compliance with the MMLR of the Bursa Securities, which came into force on 1 June 2001, all Directors are required to submit themselves for re-election at least once every three (3) years. Directors over seventy years are no longer required to submit themselves for re-appointment annually under the Companies Act 2016.

Practice 4.1 of MCCG requires at least half of the board comprises Independent Directors. For Large Companies, the board comprises a majority independent directors.

Gender Diversity Policy
Practice 4.5 of MCCG stated that Large Companies are required to have 30% women directors, other boards should also work towards achieving this target. The Board currently does not have a policy on boardroom diversity.

DIRECTORS' REMUNERATION

The Company has set up the Remuneration Committee on 29 March 2002 as recommended by the MCCG to determine the remuneration for a Director so as to ensure that the Company attracts and retains the Directors needed to run the Company successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The members of the Remuneration Committee, comprising a majority of Non-Executive Directors, are as follows:

Tan Sri Dato' Dr. Sak Cheng Lum	(Independent and Non-Executive Director)-Chairman
Mat Ripen Bin Mat Elah	(Independent and Non-Executive Director)
Dato' Milton Norman Ng Kwee Leong	(Non-Independent and Executive Director)

DIRECTORS' REMUNERATION (CONT'D)

The Remuneration Committee recommends to the Board the framework of the Executive Directors' remuneration and the remuneration package for each Executive Director in all its forms, drawing from outside advice if necessary. Executive Directors should play no part in decision on their own remuneration. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of these Directors.

The determination of the remuneration of Non-Executive Directors is a matter for the Board as a whole. The individuals concerned should obtain from discussion of their own remuneration. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors.

The remuneration of Directors received on a group basis for the financial year ended 31 December 2018 with the detailed disclosure on named basis for the remuneration of individual Directors categorised into appropriate components as per Practice 7.1 of MCCG are as follows:

	Basic Salary	Bonus	Allowance	Fee	Employer EPF	2018 Total
EXECUTIVE DIRECTORS:						
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	726,000	-	-	-	-	726,000
Dato' Setia Abdul Halim Bin Dato' Abdul Rauf	-	-	-	10,000	-	10,000
Dato Ambrose Leonard Ng Kwee Heng	44,000	-	2,000	2,000	5,280	53,280
Dato' Milton Norman Ng Kwee Leong	140,000	-	-	-	16,800	156,800
Puan Sri Datin Catherine Yeoh Eng Neo	-	-	24,000	-	-	24,000
Steven Junior Ng Kwee Leng	339,600	33,960	-	-	44,832	418,392
Malcolm Jeremy Ng Kwee Seng	216,000	21,600	24,000	-	28,512	290,112
Datuk Ng Thian Kwee	192,000	32,000	-	-	26,910	250,910
	1,657,600	87,560	50,000	12,000	122,334	1,929,494
NON-EXECUTIVE DIRECTORS:						
Tan Sri Dato' Dr Sak Cheng Lum	-	-	-	60,000	2,340	62,340
Mat Ripen Bin Mat Elah	-	-	-	12,000	-	12,000
Ooi Hun Yong	-	-	-	45,000	-	45,000
	-	-	-	117,000	2,340	119,340
GRAND TOTAL	1,657,600	87,560	50,000	129,000	124,674	2,048,834

The remuneration paid to the top five (5) senior management disclosed on named basis in bands of RM50,000 for the financial year ended 31 December 2018 as per Practice 7.2 of MCCG are as follows:

Top Five (5) Senior Management	**Range of Remuneration**
Tan Sri Dato' Ir Ng BoonThong @ Ng Thian Hock	RM700,001 to RM750,000
Dato' Milton Norman Ng Kwee Leong	RM150,001 to RM200,000
Datuk Ng Thian Kwee	RM250,001 to RM300,000
Steven Junior Ng Kwee Leng	RM400,001 to RM450,000
Malcolm Jeremy Ng Kwee Seng	RM250,001 to RM300,000

**Details of the remuneration for the above senior management are disclosed in the Director's Remuneration Disclosure.

REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board, through the Nominating Committee, assesses the independence of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company.

The Board 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.

REINFORCE INDEPENDENCE (CONT'D)

Tenure of Independent Directors

The Nominating Committee and the Board have determined at the annual assessment carried out that Ooi Hock Guan, who has served on the Board for a cumulative terms of more than nine (9) years; Tan Sri Dato' Dr. Sak Cheng Lum and Mat Ripen Bin Mat Elah, who have served on the Board for a cumulative terms of more than twelve (12) years, remains objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their services on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Company. They have exercised due care during their tenure as Independent Non-Executive Directors of the Company and have carried out their professional duties in monitoring and recommendations for implementation to enhance value to the Company and Group.

Tan Sri Dato' Dr. Sak Cheng Lum, Mat Ripen Bin Mat Elah and Ooi Hock Guan have offered themselves for re-appointment as Directors of the Company at the forthcoming Twenty-Ninth Annual General Meeting. In view thereof, the Board has recommended that the approval of the shareholders be sought to retain them as Independent Non-Executive Directors of the Company. The Board should seek shareholders' approval through a two-tier voting process for continues to retain the independent directors who have served on the Board for a cumulative terms of more than twelfth years.

Separation of Position of the Chairman and Managing Director

There is a clear division of responsibility between the Chairman, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock and the Managing Director, Dato' Milton Norman Ng Kwee Leong, to ensure there is a balance of power and authority.

MCCG recommends that the Chairman of the Board to be a non-executive and independent member of the Board. The Company's Chairman, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, is an executive member of the Board and is not an Independent Director by virtue of his substantial interest in the Group.

The Board believes that the Chairman is competent to act on behalf of the shareholders in their best interest and does not recommend the necessity of nominating an Independent Non-Executive Chairman at this juncture.

Board Composition and Balance

The Board currently has ten (10) members, comprising four (4) Independent Non-Executive Directors and six (6) Executive Directors (including the Chairman and Managing Director). The composition of the Board complies with paragraph 15.02 of the MMLR of Bursa Securities. A brief description of the background of each Director is presented on pages 14 to 16.

However, Practice 4.1 of MCCG requires at least half of the Board comprises Independent Directors. Currently our Board only comprises 40% (4/10) Independent Directors. AMVERTON will strive to adopt Practice 4.1 of the MCCG in future.

The Group is led and controlled by an experience Board, many of whom have intimate knowledge of business. The management of the Group's business and implementation of policies and day-to-day running of the business is delegated to the Executive Directors. The Independent Non-Executive Directors provide unbiased and independent views to safeguard the interests of shareholders.

There is balance in the Board because of the presence of four (4) Independent Non-Executive Directors who are of the caliber necessary to carry sufficient weight in Board decisions thus enabling adequate Board representation of the interest of minority shareholders. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined, and take account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business.

Tan Sri Dato' Dr. Sak Cheng Lum acts as the senior Independent Non-Executive Director. Any concerns concerning the Group may be conveyed to him.

FOSTER COMMITMENT

Time Commitment

The Board meets at least four (4) times a year, with additional meetings convened when necessary. All Board members bring an independent judgement to bear on issues of strategy, performance and resources and standard of conducts. The Non-Executive Directors are all independent. During the year ended 31 December 2018, six (6) Board Meetings were held. Every Director attended a majority of the Board meetings held during his/her tenure in the period. Details of the Board Meetings and the attendance of the Directors are disclosed in the Statement Accompanying Notice of Annual General Meeting on page 5-6. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

The Directors are required to submit an update on their other directorships and shareholdings to the Company Secretary. Such information is used to monitor the number of directorship held by the Directors. Each member of the Board must not hold more than five directorships in public listed companies. This is in compliance with the MMLR which states that Directors should not sit on the Boards for more than five listed companies to ensure that their commitment and have the time to focus and fulfill their roles and responsibility effectively.

Directors Training

As an integral element of the process of appointing new Directors, the Nominating Committee ensures that new Board members are given every opportunity to familiarise themselves with the structure, operations and types of businesses of the Group.

FOSTER COMMITMENT (CONT'D)

Directors Training (Cont'd)
All the Directors have attended the Mandatory Accreditation Programme conducted by Research Institute of Investment Analysts Malaysia and completed the Continuing Education Programmes ("CEP") within the timeframe. The Board is regularly updated by the Company Secretary on the latest update/amendments on the MMLR of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities. The Directors will also attend training endorsed by Bursa Securities to keep abreast with developments in the capital markets.

The training programme and seminars attended by the Directors during the financial year ended 31 December 2018 includes:

Seminar / Workshop / Training	Organiser / Venue	Date
Financial Communication: Effective Media Management	MIRA, Bursa Malaysia Berhad, Exchange Square, KL	4 April 2018
Artificial Intelligence and The Future of Accountancy	MIA, ICAEW Malaysia, Chulan Tower, KL	10 April 2018
Sustainability Engagement Series For Directors / Chief Executive Officers of Listed Issuers	Bursa Malaysia Berhad, Exchange Square, KL	5 July 2018
Sustainability Engagement Series - Sustainability Reporting Workshops for Practitioners (Preparers of Sustainability Statement / Report)	Bursa Malaysia Berhad, Exchange Square, KL	17 - 18 July 2018
PKF SST Seminar 2018 - Guiding your SST Journey	PKF Avant Edge Sdn. Bhd., Seri Pacific Hotel, KL	9 August 2018
Advocacy Programme on CG Assessment Using the Revised Asean CG Scorecard Methodology	Bursa Malaysia Berhad, Exchange Square, KL	29 August 2018
Corporate Counsel Day 2018 - Rise Above Uncertainty : Solutions Through Legal Clarity	Lee Hishammuddin Allen & Gledhill, Sime Darby Convention Centre, KL	14 August 2018
National Investment Seminar 2018	MIDA, Intercontinental Hotel Kuala Lumpur	30 October 2018

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards
In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects and to ensure that the financial statements are drawn up in accordance with the provision of Companies Act 2016 and applicable accounting standards in Malaysia. This also applies to other price-sensitive public reports and reports to regulators. 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 MMLR of Bursa Securities is set out in this Annual Report.

In addition to the above, the Board has overall responsibility for maintaining a sound system of internal controls, which encompasses financial, operational, and compliance controls and risk management necessary for the Group to achieve its corporate objectives within an acceptable risk profile.

These controls can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. The Board recognises that risk cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimizing and managing them. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Company's assets.

The unaudited financial report will be presented to the Audit Committee on a quarterly basis during audit committee meetings. After discussion and queries (if any), Audit Committee will then recommend that it be submitted to the Board of Directors for approval. During audit committee meetings, Audit Committee also meet up with the internal auditors and external auditors who would present their respective plans and reports. Audit Committee also meets up with internal auditors and external auditors individually for them to highlight any areas of concerns.

For the year under review the internal auditors and external auditors have not highlighted any area of concern.

Internal auditors adopt a risk based audit approach in auditing objectively to provide the assurance that risks are mitigated to acceptable levels. In carrying out their reviews, internal auditors makes reference to the Group's policies and procedures, established practices, MMLR and recommended industry practices.

Assessment of Suitability and Independence of External Auditors
The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. It is the policy of the Audit Committee to meet with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the Management. The Audit Committee also meets with external auditors additionally whenever it deems necessary.

Corporate Governance Overview Statement (Cont'd)

UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

Assessment of Suitability and Independence of External Auditors (Cont'd)
In this regard, the Audit Committee has assessed the independence of Messrs. HLB Ler Lum as external auditors of the Company. Having satisfied with their performance, technical competency and fulfillment of criteria of independent, the Audit Committee has recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming Annual General Meeting.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges their responsibilities for the internal control system of the Group, covering not only financial controls but also controls relating to operations, compliance and risk management. The Board, in fulfilling their responsibilities, had set-up Audit Committee and outsourced the internal audit function of the Group to an independent consulting firm to assist the Board on these matters. Information of the Group's internal control and risk management is presented in the Statement on Risk Management and Internal Control set out on pages 25 to 26 of the Annual Report. The Annual Audit Plan, Findings and Reports of the outsourced Internal Audit Function is presented directly to the Audit Committee during audit committee meetings. The audit committee would then evaluate and recommend that to the Board for approval.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board acknowledges the need to inform shareholders of all material business matters affecting the Company. The Company committed to provide shareholders with timely and equal dissemination of material information in order to enhance the transparency and accountability.

The Company has established a website – www.amverton.com for shareholders and the public to access for information, including the announcements made by the Company. The Company's website incorporate 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 all announcements made by the Company, annual reports as well as the financial information of the Company.

The Company's website has a "Contact Us" section where shareholders and potential investors may direct their enquiries on the Company. The Company's customer services team will endeavour to reply to these queries in the shortest possible time.

The announcement of the quarterly financial result is also made via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company provides information to shareholders with regard to, amongst others, details of the Annual General Meeting, their entitlement to attend the Annual General Meeting, the right to appoint a proxy and also the qualification of a proxy.

A copy of the Annual Report and the notice of the AGM are sent to all shareholders at least 21 days before the AGM as required under the Company Act 2016 and MMLR, and notice of the AGM will be dispatched at least 28 days prior to the meeting pursuant to Practice 12.1 of the MCCG. The notice of AGM is also published in a nationally circulated daily newspaper. To further promote participation of members through proxy(ies), which is in line with the insertion of Paragraph 7.21 of the MMLR of Bursa Securities, the Company had sought shareholders' approval to amend its constitution to include explicitly the right of proxies to speak at general meetings, to allow a member who is an exempt authorized nominee to appoint multiple proxies for each omnibus account it holds and expressly disallow any restriction on proxy's qualification.

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with requirements of the MMLR of Bursa Securities pertaining to continuing disclosures, it also adopts the best practices as recommended in the MCCG with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the MMLR of Bursa Securities.

Another key avenue of communication with its shareholders is the Company's Annual General Meeting, which provides a useful forum for shareholders to engage directly with the Company's Directors. During the general meeting, shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company's Directors. Where appropriate, the Board will undertake to provide written answer to any questions that cannot be readily answered at the meeting.

POLL VOTING

Pursuant to Paragraph 8.29A of MMLR of Bursa Securities, all resolutions set out in the notice of any general meeting held on or after 1 July 2016 shall be voted by poll. An independent scrutineer will be appointed to validate the vote cast at general meeting. The outcome of the resolutions will be announced to Bursa Securities on the same day of the meeting.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("The Board") of Amverton Berhad ("AMVERTON" or "the Group") is pleased to provide the following Statement on Risk Management and Internal Control, which outlines the nature and scope of internal controls in the Group during the year under review, in accordance to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

BOARD RESPONSIBILITY

The Board recognizes the importance of a sound risk management framework and internal control systems for good corporate governance and acknowledges its primary responsibility to ensure that principal risks in the Group are identified, measured and managed with appropriate system of internal controls, and to ensure that the effectiveness, adequacy and integrity of the internal control system are reviewed on an ongoing basis.

The Board affirms its overall responsibility for the Group's internal contents system which encompasses risk management practices as well as financial, operational and compliance controls. In view of inherent risks, the Group's internal control systems are designed to manage and mitigate the effect rather than eliminate possible risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board has established an organizational structure with clearly defined lines of authorities and job responsibilities to enhance accountability.

An informal risk management is carried out throughout the year, for identifying, evaluating, managing and reporting the significant risks that may be faced by the Group. The Board has empowered the Managing Director, who formed various task forces/project committee comprising Executive Directors/General Manager and key senior management personnel to assist him, in reviewing and managing the significant risks faced by the various operating units to achieve their respective business objectives of the Group. The Managing Director will inform the Board of any pertinent matters, which require decision-making at Board level.

The Managing Director and his senior management team, through their day-to-day involvement in the operations of the Group, ensure the ongoing maintenance, monitoring, reviewing and reporting arrangements have been put in place to provide reasonable assurance that the structure of controls and operations is appropriate to the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function had been outsourced to a professional firm IBDC (Malaysia) Sdn. Bhd. ("IBDC") since the last quarter of 2003 and it reports directly to the Audit Committee on a timely manner. The IBDC assists the Audit Committee, in obtaining sufficient assurance of regular review and appraisal of the effectiveness of the system of internal controls within the Group. The remit of the Group's internal audit function is set out to provide assurance to the Audit Committee that internal audit activities are performed with impartiality, proficiency and due professional care.

A high level assessment of the Group's business risk was carried out by the internal audit function to facilitate the preparation of internal audit plan. The audit plan was approved by the Audit Committee. The internal audit function is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. With the adoption of risk-based approach, the internal audit function is able to focus its work on principal risk areas and processes of the business operation units. The internal audit function undertakes systematic and timely review of the system of internal controls in order to provide reasonable assurance that operation of such controls, including system of compliance with applicable laws, regulations and guidelines are adequate, efficient and effective.

In its focus on continuous improvement for the Group, the internal audit function review critical key areas for improvement and thereafter assesses the extent of which its recommendations have been implemented.

The key features of the internal control system that were implemented during the financial year are as follows:

- Establish policies and procedures in place which are well communicated throughout the Group;
- Establish organisational structure;
- Clear lines of authorities and clearly defined responsibilities for all personnel of the Group. Strict authorisation and approval procedures have been established within top management;
- Regular and open communication between management, internal auditors and the Board on matters relating to risk and control;
- The Board takes into account significant aspects of internal control for the Group;

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

- Timely financial reporting in accordance with Approved Applicable Standards in Malaysia and other guidelines issued by the relevant authorities;

- Conducting monthly senior management meetings encompassing Directors and head of departments, focusing on principal risk affecting the Group's business objectives and to make decisions on important matters for the Group;

- Set up of ad hoc task force and project committees that are chaired periodically by Managing Director/Executive Director and attended by head of departments and executives, to manage critical matters that require close monitoring; and

- Computerised financial system to compile and consolidate data to generate monthly management reports, which assist management in identifying key changes and monitor performance.

During the financial year under review, the internal auditors reviewed the Group's system of internal control covering financial, accounting, operational and compliance controls. Although a number of internal control weaknesses were identified during this process, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

During the audit committee meetings, internal auditors presents to the Audit Committee with the results of their audit review, findings, recommendations and management's response in the form of an internal audit report. The Audit Committee will then deliberate on the internal audit report and then recommend that it be presented to the Board for approval.

Internal auditors will carry out follow-up reviews on the areas previously audited on the implementation on the audit recommendations. The result of this follow-up review is then reported to Audit Committee in the form of a follow-up audit report presented during audit committee meeting. Audit Committee will then deliberate, make queries if necessary and recommend it to be presented to Board for approval.

Further details of the activities of the internal audit function are provided in the "Audit Committee Report" of this Annual Report.

BOARD ASSESSMENT

The Board is satisfied that the Group's adequacy of the existing system of risk management and internal control which operates satisfactorily to prevent any significant breakdown or weakness that give rise to material losses incurred by the Group during the financial year under review.

The system of internal controls will continue to be reviewed, enhanced or updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by the internal auditors. The Board is of the view that the current system of internal controls in place throughout the Group is sufficient to safeguard the shareholders' investment, interests of customers, employees and stakeholders, and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirement, the external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the annual report of the financial year ended 31 December 2018 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the internal control systems. Their limited assurance review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The Audit Committee was established by the Board of Directors of Amverton Berhad ("AMVERTON" or "the Group") with the primary objective to assist the Board in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes and management and financial reporting practices of the Group.

COMPOSITION OF THE AUDIT COMMITTEE

Tan Sri Dato' Dr. Sak Cheng Lum (Independent and Non-Executive Director)-Chairman

Mat Ripen Bin Mat Elah (Independent and Non-Executive Director)

Ooi Hock Guan (Independent and Non-Executive Director)

NUMBER OF AUDIT COMMITTEE MEETINGS AND DETAILED OF ATTENDANCE

The Audit Committee comprises three (3) Independent Non-Executive Directors of the Board with Tan Sri Dato' Dr. Sak Cheng Lum as Chairman. The Company Secretary is responsible for ensuring meetings are arranged and held accordingly at least four times annually and duly minuted. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification. The Committee had five (5) meetings during the period, majority of the meetings were attended by all members. Other members of senior management and the Group's external auditors and internal auditors attended some of these meetings upon invitation by the Chairman of the Committee.

Details of Audit Committee meetings held at Conference Room, Lot 3, Jalan Lada Sulah 16/11, Section 16, 40000 Shah Alam during the financial year ended 31 December 2018 are as follow:

Name of Directors	No. of meetings attended/held	Percentage of Attendance (%)
Tan Sri Dato' Dr. Sak Cheng Lum	5/5	100%
Mat Ripen Bin Mat Elah	5/5	100%
Ooi Hock Guan	5/5	100%

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year under review, the Audit Committee has carried out the following works in accordance with its Terms of Reference to meet its responsibilities:-

1. Reviewed and monitored any related party transactions and conflict of interest situations including any transaction, procedure or course of conduct that raises questions of management integrity. They also ensure that the Directors report such transactions annually to shareholders via the annual report;

2. Reviewed the quarterly report to the Bursa Malaysia Securities Berhad ("Bursa Securities") and year end annual financial statements of the Group before submission to the Board, focusing on:

   - Going concern assumption
   - Compliance with accounting standards and regulatory requirements
   - Any changes in accounting policies and practices
   - Major judgemental areas

3. Reviewed and discussed the major findings of external auditors and the management response;

4. Reviewed all prospective financial information provided by the regulators and/or public;

5. Discussed with external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit and ensure co-ordination of audit where more than one audit firm are involved;

6. Discussed problems and reservations arising from the final external audits, the audit report;

7. Reviewed with the external auditor, his evaluation of the system of internal controls, his management letter and management response;

Audit Committee Report (Cont'd)

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

8. Met with external auditors without the presence of the executive directors and management in the Audit Committee meeting held on 11 April 2019 to enquire on unusual events or transactions or significant matters highlighted in audited report;

9. Reviewed with external auditors, the Statement on Risk Management and Internal Control of the Group for inclusion in the Company's Annual Report;

10. Reviewed and confirmed the minutes of the Audit Committee Meetings;

11. Reviewed the suitability and independence of the external auditors in order to recommend their re-appointment to the Board for recommendation to the shareholders on the re-appointment of the external auditors in the forthcoming annual general meeting, including their audit fees, the number and experience of audit staff assigned to the audit engagement, resources and effectiveness of the external auditors;

12. Reviewed the nomination and appointment of the professional firm engaged to carry out the internal audit functions and specifically perform the following reviews:

    - Review the adequacy of the scope, functions and resource of the professional firm engaged to carry out internal audit functions, and that it has the necessary authority to carry out its work;

    - Review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the professional firm engaged; and

    - Review any appraisal or assessment of the performance of the professional firm engaged to perform the internal audit functions;

13. To reconsider any other functions as may be agreed to by the Committee and the Board.

SUMMARY OF WORK OF THE INTERNAL AUDITORS

The Committee had appointed a professional firm to undertake audit functions with effect from the last quarter of 2003. The Group's mission is to provide an independent and objective assurance on governance, risk management and internal control and make recommendations that will improve or add value to the Group.

Internal Audit Function
The internal audit functions have been outsourced to a professional firm reporting directly to Audit Committee. Its responsibilities include systematic and timely review of business units' compliance with internal control procedures, highlights weaknesses and makes appropriate recommendations for improvements.

The total cost incurred for maintaning the internal audit function for the year under review was RM26,131 comprising mainly professional fees and disbursements.

A summary of the works of the internal audit function for the financial year is as follows:-

1. Carried out sampling test on the Group's compliance with its policies and procedures as well as relevant rules and regulations;

2. Evaluation of the Group's adequacy and effectiveness of the internal control review covering the accounts and administration, fixed assets management, IT general controls and project management cycle as per the Internal Audit Plan;

3. Reviewed of the accounting records;

4. Presentation of audit findings and recommendation of corrective actions to be taken by Management and management's response in the quarterly Audit Committee Meetings; and

5. Conducted follow-up audits to ensure corrective actions has been taken.

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

AUDIT AND NON - AUDIT FEES

For the financial year ended 31 December 2018, the amounts of audit and non-audit fees paid or payable by the Company and the Group to the external auditors are as follows:-

	Company RM	Group RM
Audit Fees	23,000	273,950
Non - Audit Fees	3,000	6,000

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE NATURE

There were no recurrent related party transaction of a revenue nature, which requires Shareholders' Mandate during the financial year under the review.

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by AMVERTON or its subsidiaries involving directors', chief executive's and major shareholders' interest either still subsisting at the end of the financial year ended 31 December 2018 or enterred into since the end of the previous financial year.

Corporate Social Responsibility Statement

AMVERTON Group, as a responsible corporate citizen, is committed to conducting business in a manner which achieves sustainable growth whilst fulfilling legal, ethical, professional and moral standards.

We aim to achieve our business objectives in a caring and responsible manner recognizing the economic, social and environmental impacts of our activities on all our stakeholders.

Education and training, quality, safety, health care are just some of the priorities for both our employees and communities. Our hotels, golf courses especially kitchen and back of house divisions has been the training ground for a few colleges to send their students for practical training before the end of their respective courses.

Below are some of the activities that the Group has carried out to try to fulfill its commitment to CSR:

- Contribution to Larian Bandar Diraja in 2006.

- On 17 December 2013, Bukit Aman Crime Prevention Department Director Datuk Ayub Yaakob has awarded AMVERTON the certification for auxiliary police powers at the landmark ceremony in Amverton Cove, Carey Island, as part of the national effort including the Group's Corporate Social Responsibility to reduce crime.

- Amverton Heritage has held "Program Bantuan Amal Mesra" in conjuction with the Hari Raya Aidil Fitri helping the needy elderly and special children nearby.

- On 22 November 2014, AMVERTON, through a fund-raising dinner titled "Spread the Love, Give a Hope Charity Night" raised fund of over RM170,000 for the Persatuan Penjagaan Kanak-Kanak Cacat Klang, Selangor at Bukit Kemuning Golf & Country Resort and also sponsored the venue to host the dinner.

1. INTRODUCTION

Amverton Berhad ("AMVERTON" or "the Group") is company listed on the Malaysian Stock Exchange which is involved in Property Development and Construction, Leisure and Resort, Agricultural and Plantation and Automotive Parts and Distribution.

This Sustainability Statement is prepared based on the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") which sets out our approach and initiatives being considered and taken to inculcate the sustainability culture within the Group.

The contents of this Statement will be useful to our stakeholders which comprise our investors, employees, customers (house buyers, tenants, dealers etc), suppliers, contractors and the local community.

2. OUR COMMITMENT

AMVERTON has always been committed to sustainability in our business model. The Group have always engaged with the stakeholders on their economic, environment and social well-being.

The Group's journey in sustainability began more than 40 years ago with the incorporation of its first subsidiary company. The Group remains committed to sustainable practices for the foreseeable future.

3. SUSTAINABILITY GOVERNANCE

The responsibility of sustainability strategy and performance together with its purpose, values and strategies remain with the Board of Directors of AMVERTON. However, in recognising the importance of Sustainability in the operations of the business, the Board established a Sustainability Committee ("SC") on 23th August 2018 to oversee sustainability matters.

The Sustainability Committee comprise the following members:

Tan Sri Dato' Dr. Sak Cheng Lum	(Independent and Non-Executive Director)–Chairman
Dato' Milton Norman Ng Kwee Leong	(Non-independent and Executive Director)
Ooi Hock Guan	(Independent and Non-Executive Director)
Ooi Hun Yong	(Independent and Non-Executive Director)

At the operational level, the Managing Director formed a team to monitor and manage the economic, environmental and social risks as part of the day-to-day business operations and where necessary to report to the SC and the Board.

We recognise the importance of keeping up to date with sustainability reporting requirements by Bursa Malaysia. To meet this, selected members of the Board and Management have attended sustainable workshops conducted by Bursa Malaysia.

4. MATERIALITY PROCESS

We are currently reviewing our sustainable matters to determine their materiality both from the view of the business and also from the point of the various stakeholders. This is to assist us to strategise, focus and prioritise our action plans.

In the meantime, we continue to focus on the initiatives we began last year and have added some new items :

a) AMVERTON's Wide Range of Housing Products
- AMVERTON continues to provide a wide range of products ranging from double-storey link houses to bungalows. This caters for the needs of the whole community, from the young individual to families looking to upgrade their properties.

4. MATERIALITY PROCESS (CONT'D)

b) Strong Financial Standing

- The Group continues to maintain its strong financial standing by its continued practice of prudence in cost saving and efficiency. AMVERTON continues to self-finance projects and is positive that it is able to survive the economic environment which is poised to slow down in the foreseeable future.

c) AMVERTON brand

- The AMVERTON brand has been accepted as a brand of excellent quality and after-sales service. This enhances the Group's sustainability in the property market.

d) Gated/Guarded Housing Projects

- We continue to launch housing projects with Gated/Guarded Housing concept to cater to the needs and wants of the house buyers for comfort and security when looking for a home.

e) Club Houses/Social Programs

- Our housing projects continue to have club houses in line with the current trend of communities' need to socialise with their neighbours.

- We continue to organise social programs to enhance community togetherness like Chinese New Year open house, etc.

f) Employee Togetherness and Efficiency

- We recognise the need for employee togetherness for sustainability. We have therefore organised team building sessions for our employees and will continue to organise such events for the togetherness of employees from all segments of the organisation for greater efficiency.

- We have also embarked in a journey of ISO certification to further improve work efficiency and systematic processes.

5. MOVING FORWARD

AMVERTON endeavours to continue improving the economic, social and environmental issues to remain sustainable.

Statement of Directors' Responsibilities

The Directors of the Company are responsible for the preparation of financial statements so as to give true and their view in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

In preparing those financial statements, the Directors have:

- Applied applicable accounting policies on a consistent basis;

- Made judgements and estimates that are prudent and reasonable;

- Ensure applicable Financial Reporting Standards in Malaysia for Entities Other than Private Entities have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible for taking such steps as reasonably open to them to safeguards the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

This Statement has been approved by the Board of Directors on 11 April 2019.

FINANCIAL STATEMENT

CONTENTS

Directors' Report

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 13 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
Profit for the year	76,195,679	289,899
Attributable to :		
Equity holders of the Company	75,548,707	289,899
Non-controlling interests	646,972	-
	76,195,679	289,899

DIVIDENDS

No dividend have been paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

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

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 21 June 2018. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

There are no repurchase of own shares during the financial year ended 31 December 2018.

DIRECTORS

The Directors who served on the Board of the Company during the financial year until the date of this Report are :

- Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock
- Dato' Setia Abdul Halim Bin Dato' Haji Abdul Rauf *(Demised on 10 March 2018)*
- Dato' Ambrose Leonard Ng Kwee Heng *(Resigned on 22 January 2018)*
- Puan Sri Datin Catherine Yeoh Eng Neo
- Tan Sri Dato' Dr. Sak Cheng Lum
- Datuk Ng Thian Kwee
- Dato' Milton Norman Ng Kwee Leong
- Mat Ripen Bin Mat Elah
- Tan Jiu See *(Resigned on 10 April 2019)*
- Steven Junior Ng Kwee Leng
- Malcolm Jeremy Ng Kwee Seng
- Ooi Hock Guan
- Ooi Hun Yong *(Appointed on 2 April 2018)*

DIRECTORS OF SUBSIDIARIES

The following is a list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report :

Dato' Ambrose Leonard Ng Kwee Heng
Dato' Amzah Bin Umar
Adri Mazlan Bin Marmuji
Chigusa Tohru
Chuah Chin Guan
Lee Chien Hui
Ng Thian Ann
Tokio Nakada

Directors' Report (Cont'd)

DIRECTORS' INTERESTS

The following Directors of the Company who held office at the end of the financial year had, according to the Register of Directors' Shareholdings, interests in shares of the Company and related companies as follows :-

	Number of ordinary shares			
	Balance at 1.1.2018	**Acquired**	**Disposed**	**Balance at 31.12.2018**
The Company				
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock				
- direct interest	**39,822,112**	**-**	**-**	**39,822,112**
- deemed interest	**223,821,180**	**11,842,800**	**-**	**235,663,980**
Puan Sri Datin Catherine Yeoh Eng Neo				
- direct interest	**14,018,200**	**-**	**-**	**14,018,200**
- deemed interest	**249,625,092**	**11,842,800**	**-**	**261,467,892**
Dato' Milton Norman Ng Kwee Leong				
- direct interest	**1,400,000**	**-**	**-**	**1,400,000**
- deemed interest	**255,147,392**	**11,842,800**	**-**	**266,990,192**
Steven Junior Ng Kwee Leng				
- direct interest	**1,000,000**	**-**	**-**	**1,000,000**
- deemed interest	**255,147,392**	**11,842,800**	**-**	**266,990,192**
Malcolm Jeremy Ng Kwee Seng				
- direct interest	**3,507,900**	**-**	**-**	**3,507,900**
- deemed interest	**259,347,392**	**11,842,800**	**-**	**271,190,192**
Ooi Hun Yong				
- direct interest	**50,000***	**-**	**-**	**50,000**

*Balance at date of appointment

	Number of ordinary shares			
	Balance at 1.1.2018	**Acquired**	**Disposed**	**Balance at 31.12.2018**
Holding company - Dalta Industries Sdn. Bhd.				
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock				
- direct interest	**7,000,000**	**-**	**-**	**7,000,000**
- deemed interest	**6,000,000**	**-**	**-**	**6,000,000**
Puan Sri Datin Catherine Yeoh Eng Neo				
- direct interest	**400,000**	**-**	**-**	**400,000**
- deemed interest	**12,600,000**	**-**	**-**	**12,600,000**
Dato' Milton Norman Ng Kwee Leong				
- direct interest	**1,000,000**	**-**	**-**	**1,000,000**
- deemed interest	**9,000,000**	**-**	**-**	**9,000,000**
Steven Junior Ng Kwee Leng				
- direct interest	**1,000,000**	**-**	**-**	**1,000,000**
- deemed interest	**9,000,000**	**-**	**-**	**9,000,000**
Malcolm Jeremy Ng Kwee Seng				
- direct interest	**1,000,000**	**-**	**-**	**1,000,000**
- deemed interest	**9,000,000**	**-**	**-**	**9,000,000**

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares			
	Balance at 1.1.2018	**Acquired**	**Disposed**	**Balance at 31.12.2018**
Related company - Hil Industries Berhad				
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock				
- direct interest	**30,136,279**	**-**	**(17,000,000)**	**13,136,279**
- deemed interest	**208,452,045**	**15,260,600**	**-**	**223,712,645**
Puan Sri Datin Catherine Yeoh Eng Neo				
- direct interest	**8,621,280**	**-**	**-**	**8,621,280**
- deemed interest	**229,967,044**	**15,260,600**	**(17,000,000)**	**228,227,644**
Dato' Milton Norman Ng Kwee Leong				
- direct interest	**8,001,959**	**4,260,600**	**-**	**12,262,559**
- deemed interest	**217,781,765**	**-**	**(17,000,000)**	**200,781,765**
Steven Junior Ng Kwee Leng				
- direct interest	**4,249,800**	**1,000,000**	**-**	**5,249,800**
- deemed interest	**217,781,765**	**-**	**(17,000,000)**	**200,781,765**
Malcolm Jeremy Ng Kwee Seng				
- direct interest	**4,290,720**	**1,000,000**	**-**	**5,290,720**
- deemed interest	**217,781,765**	**-**	**(17,000,000)**	**200,781,765**

	Number of warrants 2017/2027			
	Balance at 1.1.2018	**Acquired**	**Disposed**	**Balance at 31.12.2018**
Related company - Hil Industries Berhad				
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock				
- direct interest	**5,022,713**	**-**	**-**	**5,022,713**
- deemed interest	**34,743,071**	**-**	**-**	**34,743,071**
Puan Sri Datin Catherine Yeoh Eng Neo				
- direct interest	**1,436,880**	**-**	**-**	**1,436,880**
- deemed interest	**38,328,904**	**-**	**-**	**38,328,904**
Dato' Milton Norman Ng Kwee Leong				
- direct interest	**1,333,659**	**-**	**-**	**1,333,659**
- deemed interest	**36,298,025**	**-**	**-**	**36,298,025**
Steven Junior Ng Kwee Leng				
- direct interest	**708,300**	**-**	**-**	**708,300**
- deemed interest	**36,298,025**	**-**	**-**	**36,298,025**
Malcolm Jeremy Ng Kwee Seng				
- direct interest	**715,120**	**-**	**-**	**715,120**
- deemed interest	**36,298,025**	**-**	**-**	**36,298,025**

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares			
	Balance at 1.1.2018	**Acquired**	**Disposed**	**Balance at 31.12.2018**
Related companies				
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, Puan Sri Datin Catherine Yeoh Eng Neo, Dato' Milton Norman Ng Kwee Leong, Steven Junior Ng Kwee Leng and Malcolm Jeremy Ng Kwee Seng - deemed interest				
Idaman Kalbu Sdn. Bhd.	**74,250**	-	-	**74,250**
Lipat Ganda Sdn. Bhd.	**99,046**	-	-	**99,046**
Pillar Industries Sdn. Bhd.	**161,910**	-	-	**161,910**
Profail Padu Sdn. Bhd.	**1,600,000**	-	-	**1,600,000**

By virtue of their interests in Dalta Industries Sdn. Bhd., Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, Puan Sri Datin Catherine Yeoh Eng Neo, Dato' Milton Norman Ng Kwee Leong, Mr. Steven Junior Ng Kwee Leng and Mr. Malcolm Jeremy Ng Kwee Seng are also deemed to be interested in the shares of all the subsidiaries to the extent of the Company's interests in the respective subsidiaries as disclosed in Note 13 to the Financial Statements.

Other than as disclosed above, the Directors who held office at the end of the financial year did not have interests in the shares or debentures of the Company or related companies during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, there were no indemnity given to or insurance effected for, any director, officer or auditor of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements of the Group) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the Notes to the Financial Statements and that certain Directors received remuneration from the Company's related companies.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-

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

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

At the date of this Report, the Directors are not aware of any circumstances :-

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

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

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

At the date of this Report, there does not exist :-

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

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

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that :-

At the date of this Report, they are not aware of any circumstances not otherwise dealt with in this Report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In their opinion,

(a) 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 disclosure in the Note 5 to the Financial Statements; and

(b) 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 Directors regard Dalta Industries Sdn. Bhd., a company incorporated in Malaysia, as the Company's holding company.

SUBSIDIARY/SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 13 to the Financial Statements.

AUDITORS

The auditors, Messrs. HLB Ler Lum, Chartered Accountants, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 7 to the Financial Statements.

Signed on behalf of the Board in
accordance with a resolution
of the Directors,

____

Dato' Milton Norman Ng Kwee Leong

Dated : 11 April 2019

Klang

____

Malcolm Jeremy Ng Kwee Seng

Statement by Directors

We, DATO' MILTON NORMAN NG KWEE LEONG and MALCOLM JEREMY NG KWEE SENG, being two of the Directors of AMVERTON BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements 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 December 2018 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in
accordance with a resolution
of the Directors,

____

Dato' Milton Norman Ng Kwee Leong

____

Malcolm Jeremy Ng Kwee Seng

Dated : 11 April 2019

Klang

Statutory Declaration

I, MALCOLM JEREMY NG KWEE SENG, being the Director primarily responsible for the financial management of AMVERTON BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements 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.

____

Malcolm Jeremy Ng Kwee Seng

Subscribed and solemnly declared by the abovenamed
MALCOLM JEREMY NG KWEE SENG
at Klang on 11 April 2019

Before me :

____

Commissioner for Oaths

Independent Auditors' Report to the Members of Amverton Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Amverton Berhad, which comprise the Statements of Financial Position as at 31 December 2018 of the Group and of the Company, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43-119.

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 December 2018, and of their financial performance and their cash flows for the 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.

KEY AUDIT MATTERS

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

1. Property development revenue and cost of sales recognition

<u>The risk</u>

We refer to Note 34(i), 3 and 4 to the Financial Statements.

For the financial year ended 31 December 2018, property development revenue of RM45.8 million and cost of sales of RM23.6 million accounted for approximately 37.5% and 32.5% of the Group's revenue and cost of sales respectively.

The Group recognise revenue and costs arising from the property development activities based on the stage of completion. The stage of completion is determined by the proportion that the actual property development costs incurred for work performed to date to the estimated total property development costs. The recognition of revenue and cost is therefore dependent on the Group estimated gross development costs, which includes estimates and judgement by the Directors on costs to be incurred in the development.

There is a risk that the actual development costs are different to those estimates resulting in material variance in the amount of profit or loss recognised to date and in the current period.

<u>Our response :</u>

Our audit procedures included the following :

- tested the Group's controls by checking for evidence of reviews and approvals over development cost, setting budgets and authorising and recording of actual costs incurred;
- compared the architect certificate against stage of completion of certain projects to ascertain the reasonableness of the percentage of completion recognised in the profit or loss;
- assessed management's estimates on budgeted costs to be incurred including corroboration of historical budgets with actual costs incurred;
- agreed a sample of costs incurred to date to invoice and/or progress claim, checked that they were allocated to the appropriate construction site, and met the definition of development costs.

Independent Auditors' Report to the Members of Amverton Berhad (Cont'd)

KEY AUDIT MATTERS (CONT'D)

2. Impairment assessment of goodwill

The risk

We refer to Note 34(ii) and 17 to the Financial Statements.

As at 31 December 2018, goodwill arising on consolidation amounted to RM19.1 million after an accumulated impairment charge of RM1.9 million, which is primarily allocated to the property development segment. The goodwill for this segment comprises 95.2% of total goodwill.

The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the cash-generating unit ("CGU"), which is based on the fair value less costs to sell, has been derived from fair value models. The model uses several key assumptions, including estimates of market price of properties and estimate cost to sell.

Our response :

We focused our testing of the impairment assessment of goodwill on the key assumptions made by the management. Our audit procedures included :

- evaluated management estimates of the fair values of properties by making reference to comparable property transactions; and

- evaluated the assumptions applied in estimating cost to sell taking into consideration actual cost incurred in sale of properties historically and marketing strategies.

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.

Independent Auditors' Report to the Members of Amverton Berhad (Cont'd)

AUDITOR'S 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 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.

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

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

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

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

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

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

Independent Auditors' Report to the Members of Amverton Berhad (Cont'd)

OTHER MATTERS

1. As stated in Note 2(a) to the Financial Statements, Amverton Berhad adopted Malaysian Financial Reporting Standards on 1 January 2018 with a transition date of 1 January 2017. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the Statements of Financial Position as at 31 December 2017 and 1 January 2017, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the financial year ended 31 December 2017 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2018 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2018 do not contain misstatements that materially affect the financial position as of 31 December 2018 and financial performance and cash flows for the year then ended.

2. 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.

HLB LER LUM
AF 0276
Chartered Accountants

WONG CHEE HONG
03160/09/2020 J
Chartered Accountant

Dated : 11 April 2019
Kuala Lumpur

Statements of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Revenue	3	**122,312,395**	160,304,012	**450,323**	379,142
Cost of sales	4	**(72,552,970)**	(100,580,761)	**(9,429)**	(9,561)
Gross profit		**49,759,425**	59,723,251	**440,894**	369,581
Other operating income	5	**72,879,399**	3,387,776	**-**	-
Selling & distribution costs		**(104,885)**	(117,311)	**-**	-
Administration expenses		**(24,369,877)**	(23,910,995)	**(149,396)**	(159,640)
Other operating expenses		**(5,087,051)**	(6,124,920)	**-**	-
Finance costs	6	**(28,503)**	(46,629)	**-**	-
Share of profit/(loss) of associated companies		**665,928**	(92,474)	**-**	-
Profit before tax	7	**93,714,436**	32,818,698	**291,498**	209,941
Income tax expense	9	**(17,518,757)**	(7,310,384)	**(1,599)**	(450)
Profit for the year		**76,195,679**	25,508,314	**289,899**	209,491
Attributable to :					
Equity holders of the Company		**75,548,707**	24,111,818	**289,899**	209,491
Non-controlling interests		**646,972**	1,396,496	**-**	-
		76,195,679	25,508,314	**289,899**	209,491
Profit for the year		**76,195,679**	25,508,314	**289,899**	209,491
Other comprehensive loss net of tax :					
Items that will not be reclassified to profit or loss - Net fair value loss on equity instruments at fair value through other comprehensive income		**(852)**	-	**-**	-
Total comprehensive income for the year		**76,194,827**	25,508,314	**289,899**	209,491
Attributable to :-					
Equity holders of the Company		**75,547,855**	24,111,818	**289,899**	209,491
Non-controlling interests		**646,972**	1,396,496	**-**	-
		76,194,827	25,508,314	**289,899**	209,491
Earnings per share for profit for the year attributable to equity holders of the Company (sen)	10	**20.69**	6.60		

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

Statements of Financial Position as at 31 December 2018

	Note	Group 31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
ASSETS				
Non-current assets				
Property, plant & equipment	11	**154,631,958**	154,416,153	154,705,942
Investment properties	12	**59,088,615**	58,187,864	58,508,499
Investment in associated companies	14	**2,118,086**	1,452,158	1,544,632
Inventories	15	**130,090,963**	115,669,950	116,425,125
Other investments	16	**67,755**	68,607	100,885
Goodwill	17	**19,085,213**	19,085,213	19,085,213
Fixed deposits	18	**6,056,799**	2,399,077	2,385,229
Deferred tax assets	19	**716,959**	699,959	716,459
		371,856,348	351,978,981	353,471,984
Current assets				
Inventories	15	**400,861,468**	402,670,770	404,521,427
Biological assets	20	**151,523**	258,186	218,035
Trade & other receivables	21	**38,967,773**	27,542,860	28,338,356
Contract assets	22	**21,889,522**	28,417,974	9,252,273
Income tax assets		**2,891,997**	2,350,501	2,091,239
Fixed deposits	18	**50,356,826**	45,767,951	43,289,455
Cash & bank balances	24	**21,824,581**	25,320,122	20,822,814
		536,943,690	532,328,364	508,533,599
Total assets		**908,800,038**	884,307,345	862,005,583

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

Statements of Financial Position
as at 31 December 2018 (Cont'd)

	Note	Group 31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
EQUITY AND LIABILITIES				
Equity attributable to owners of parent				
Share capital	25	**217,605,412**	217,605,412	182,531,900
Share premium	26	**-**	-	35,073,512
Fair value adjustment reserve		**(33,130)**	-	-
Retained earnings		**496,955,467**	422,053,919	397,942,101
		714,527,749	639,659,331	615,547,513
Non-controlling interests		**24,531,850**	24,152,335	22,948,323
Total equity		**739,059,599**	663,811,666	638,495,836
Non-current liabilities				
Finance lease liabilities	27	**365,473**	472,575	688,632
Deferred tax liabilities	19	**64,395,704**	64,475,714	66,063,723
Total non-current liabilities		**64,761,177**	64,948,289	66,752,355
Current liabilities				
Trade & other payables	28	**19,451,811**	71,800,575	68,648,238
Contract liabilities	22	**26,959,903**	26,959,903	32,806,462
Finance lease liabilities	27	**107,100**	205,992	211,280
Amount due to related parties	23	**54,001,083**	54,001,453	54,001,453
Income tax liabilities		**4,459,365**	2,579,467	1,089,959
Total current liabilities		**104,979,262**	155,547,390	156,757,392
Total liabilities		**169,740,439**	220,495,679	223,509,747
Total equity and liabilities		**908,800,038**	884,307,345	862,005,583

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

Statements of Financial Position as at 31 December 2018 (Cont'd)

	Note	31.12.2018 RM	Company 31.12.2017 RM	01.01.2017 RM
ASSETS				
Non-current assets				
Property, plant & equipment	11	**654,640**	666,330	678,020
Investment in subsidiaries	13	**409,295,162**	447,849,852	348,323,552
Other investments	16	**64,980**	64,980	64,980
		410,014,782	448,581,162	349,066,552
Current assets				
Trade & other receivables	21	**388,781**	193,053	8,817
Amount due from related parties	23	**27,217**	53,948	8,479,876
Income tax assets		**268,684**	269,584	274,684
Cash & bank balances	24	**44,615**	7,565	88,132
		729,297	524,150	8,851,509
Total assets		**410,744,079**	449,105,312	357,918,061
EQUITY AND LIABILITIES				
Equity attributable to owners of parent				
Share capital	25	**217,605,412**	217,605,412	182,531,900
Share premium	26	**-**	-	35,073,512
Retained earnings		**29,245,606**	28,955,707	28,746,216
Total equity		**246,851,018**	246,561,119	246,351,628
Current liabilities				
Trade & other payables	28	**24,195**	32,506	66,618
Amount due to related parties	23	**163,868,866**	202,511,687	111,499,815
Total current liabilities		**163,893,061**	202,544,193	111,566,433
Total liabilities		**163,893,061**	202,544,193	111,566,433
Total equity and liabilities		**410,744,079**	449,105,312	357,918,061

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

Statements of Changes in Equity for the Financial Year Ended 31 December 2018

Group	Attributable to owners of the parent					Non-controlling interests	Total Equity
	Non-distributable			Distributable			
	Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Retained Earnings RM	Total RM	RM	RM
Balance at 1 January 2017 (FRS framework)	182,531,900	35,073,512	-	399,073,112	616,678,524	23,685,371	640,363,895
Cumulative effects of adoption of MFRS	-	-	-	(1,131,011)	(1,131,011)	(737,048)	(1,868,059)
Balance at 1 January 2017 (MFRS framework)	182,531,900	35,073,512	-	397,942,101	615,547,513	22,948,323	638,495,836
Total comprehensive income for the year	-	-	-	24,111,818	24,111,818	1,396,496	25,508,314
Disposal of subsidiary	-	-	-	-	-	(11,050)	(11,050)
Dividend paid	-	-	-	-	-	(181,434)	(181,434)
Transition to no par value regime	35,073,512	(35,073,512)	-	-	-	-	-
Balance at 31 December 2017	217,605,412	-	-	422,053,919	639,659,331	24,152,335	663,811,666
Adoption of MFRS 9	-	-	(32,278)	(647,159)	(679,437)	(86,023)	(765,460)
Balance at 1 January 2018	217,605,412	-	(32,278)	421,406,760	638,979,894	24,066,312	663,046,206
Total comprehensive income for the year	-	-	(852)	75,548,707	75,547,855	646,972	76,194,827
Dividend paid	-	-	-	-	-	(181,434)	(181,434)
Balance at 31 December 2018	**217,605,412**	**-**	**(33,130)**	**496,955,467**	**714,527,749**	**24,531,850**	**739,059,599**

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

Statements of Changes in Equity
for the Financial Year Ended 31 December 2018 (Cont'd)

	Non-distributable		Distributable	
Company	**Share capital RM**	**Share premium RM**	**Retained earnings RM**	**Total RM**
Balance at 1 January 2017	182,531,900	35,073,512	28,746,216	246,351,628
Total comprehensive income for the year	-	-	209,491	209,491
Transition to no par value	35,073,512	(35,073,512)	-	-
Balance at 31 December 2017	217,605,412	-	28,955,707	246,561,119
Total comprehensive income for the year	-	-	289,899	289,899
Balance at 31 December 2018	**217,605,412**	**-**	**29,245,606**	**246,851,018**

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

Statements of Cash Flows
for the Financial Year Ended 31 December 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash flows from operating activities				
Profit before tax	**93,714,436**	32,818,698	**291,498**	209,941
Adjustments for :				
Bad debt recovery	**(2,405)**	(4,000)	**-**	-
Bad debt written off	**2,850**	19,567	**-**	-
Depreciation	**5,630,274**	6,471,638	**11,690**	11,690
Dividend income	**(66,981)**	(1,473)	**(442,289)**	(376,809)
Impairment loss on financial assets				
- contract assets	**452**	-	**-**	-
- investments	**-**	32,278	**-**	-
- trade & other receivables (net)	**(24,187)**	52,761	**-**	-
Interest expense	**28,503**	46,629	**-**	-
Interest income	**(2,488,402)**	(1,834,298)	**(8,034)**	(2,333)
Inventories write-down (net)	**233,789**	290,006	**-**	-
Gain on disposal of subsidiary	**-**	(174,499)	**-**	-
Gain on disposal of property, plant & equipment (net)	**(15,079,094)**	(4,999)	**-**	-
Fair value changes in biological assets (net)	**106,663**	(40,151)	**-**	-
Property, plant & equipment written off	**36,872**	4,643	**-**	-
Share of (profit)/loss of associated companies	**(665,928)**	92,474	**-**	-
Unrealised gain on foreign exchange	**(388)**	(3,758)	**-**	-
Operating profit/(loss) before working capital changes	**81,426,454**	37,765,516	**(147,135)**	(157,511)

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

Statements of Cash Flows
for the Financial Year Ended 31 December 2018 (Cont'd)

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Inventories	**(12,511,281)**	2,315,826	**-**	-
Receivables	**(11,543,364)**	727,168	**(195,728)**	(184,236)
Contract assets	**6,528,000**	(19,165,701)	**-**	-
Payables	**(37,205,894)**	3,168,137	**(8,311)**	(34,112)
Contract liabilities	**-**	(5,846,559)	**-**	-
Inter-company balances	**(370)**	-	**(61,400)**	(88,500)
Cash generated from/(used in) operations	**26,693,545**	18,964,387	**(412,574)**	(464,359)
Dividends received	**66,981**	1,473	**442,289**	376,809
Interest received	**2,488,402**	1,834,298	**8,034**	2,333
Interest paid	**(28,503)**	(46,629)	**-**	-
Income tax paid	**(16,884,488)**	(8,299,911)	**(699)**	(350)
Income tax refunded	**607,123**	648,264	**-**	5,000
Net cash from/(used in) operating activities	**12,943,060**	13,101,882	**37,050**	(80,567)

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

Statements of Cash Flows
for the Financial Year Ended 31 December 2018 (Cont'd)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash flows from investing activities				
Net proceeds from disposal of subsidiary	**-**	151,407	**-**	-
Proceeds from disposal of property, plant & equipment	**199,000**	5,000	**-**	-
Purchase of investment properties	**(2,316,899)**	(1,095,513)	**-**	-
Purchase of property, plant & equipment	**(5,686,677)**	(4,770,345)	**-**	-
Net cash used in investing activities	**(7,804,576)**	(5,709,451)	**-**	-
Cash flows from financing activities				
Dividend paid to non-controlling interest	**(181,434)**	(181,434)	**-**	-
Net repayment of finance lease payables	**(205,994)**	(221,345)	**-**	-
Placement of fixed deposits under lien	**(3,657,722)**	(13,848)	**-**	-
Net cash used in financing activities	**(4,045,150)**	(416,627)	**-**	-
Net changes in cash and cash equivalents	**1,093,334**	6,975,804	**37,050**	(80,567)
Cash and cash equivalents brought forward	**71,088,073**	64,112,269	**7,565**	88,132
Cash and cash equivalents carried forward	**72,181,407**	71,088,073	**44,615**	7,565

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

Statements of Cash Flows
for the Financial Year Ended 31 December 2018 (Cont'd)

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM

NOTES TO CONSOLIDATED CASH FLOW STATEMENTS

(a) Cash and cash equivalents comprise :

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Fixed deposits	**56,413,625**	48,167,028	**-**	-
Cash & bank balances	**21,824,581**	25,320,122	**44,615**	7,565
	78,238,206	73,487,150	**44,615**	7,565
Less : Fixed deposits under lien	**(6,056,799)**	(2,399,077)	**-**	-
	72,181,407	71,088,073	**44,615**	7,565

(b) Analysis of proceed from disposal of property, plant & equipment

	Group 2018 RM	Group 2017 RM
Cash	**199,000**	5,000
Receivable	**623,267**	-
Payable	**15,142,482**	-
Total proceeds from disposal of property, plant & equipment	**15,964,749**	5,000

(c) Reconciliation of liabilities arising from financing activities

	Group 2018 RM	Group 2017 RM
Borrowings		
At 1 January	**678,567**	899,912
<u>Cash outflow</u>		
Interest paid	**(27,503)**	(45,629)
Repayment	**(205,994)**	(221,345)
<u>Non-cash changes</u>		
Finance cost	**27,503**	45,629
At 31 December	**472,573**	678,567

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

1. GENERAL INFORMATION

The principal activities of the Company are those of an investment holding and management company. The principal activities of the subsidiaries are set out in Note 13 to the Financial Statements.

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

The address of the registered office of the Company is as follows :-

No. 22C, Jalan Gelugor
41050 Klang
Selangor Darul Ehsan

The address of the principal place of business of the Company is as follows :-

10th Floor, Menara Amverton
Garden Business Centre
3 Jalan Istana
41000 Klang
Selangor Darul Ehsan

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. These are the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRS") in Malaysia.

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

The preparation of financial statements are in conformity with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 34 to the Financial Statements.

The financial statements are presented in Ringgit Malaysia, which is the Group's and the Company's functional and presentation currency.

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS)

These financial statements for the year ended 31 December 2018 are the first financial statements the Group and the Company have prepared in accordance with MFRS. Accordingly, the Group and the Company have prepared financial statements that comply with MFRS applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 January 2017, the Group and the Company's date of transition to MFRS.

The principal adjustments made by the Group on adoption of MFRS and the adoption of the new standards that are effective on 1 January 2018 are disclosed below.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

Exemptions applied on adoption of MFRS

MFRS allows first-time adopters exemptions from the retrospective application of certain requirements under MFRS. The Group has applied the following exemptions :-

- MFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under MFRS, or acquisitions of interests in associates and joint ventures that occurred before 1 January 2017. The carrying amounts of assets and liabilities at the reporting date of transition to MFRS is the same as previously reported under FRS.

- The comparative information do not comply with MFRS 9 Financial Instruments or MFRS 7 Financial Instruments: Disclosures to the extent the disclosures relate to items within the scope of MFRS 9.

New accounting standards effective on 1 January 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the MFRS which are effective for annual financial periods beginning on or after 1 January 2018. Except for the impact arising from the exemptions applied as described above and the adoption of MFRS 9 and MFRS 15 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

(i) MFRS 9 Financial Instruments

On 1 January 2018, the Group adopted MFRS 9 Financial Instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of MFRS 9 have been applied retrospectively. The Group has elected to apply the exemption in MFRS 1 and has not restated comparative information in the year of initial application. The impact arising from MFRS 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

MFRS 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

For equity securities, the Group elects to measure its currently held available-for-sale (“AFS”) quoted equity securities at fair value through other comprehensive income (“FVOCI”).

For the previously held AFS quoted equity securities measured at FVOCI, cumulative impairment charge of RM32,278 previously recognised in profit or loss were reclassified from retained earnings to fair value adjustment reserve as at 1 January 2018.

Impairment

MFRS 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on incurred loss model when there is objective evidence that a financial asset is impaired.

Upon adoption of MFRS 9, the Group recognised additional impairment on the Group’s trade receivables of RM653,478, and contract assets of RM111,982.

The additional impairment recognised arising from adoption of MFRS 9 above resulted in a corresponding decrease in retained earnings of RM679,437 as at 1 January 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(i) MFRS 9 Financial Instruments (Cont'd)

The Group has assessed which business model apply to the financial assets held by the Group at 1 January 2018 and has classified its financial instruments into the appropriate categories in accordance with MFRS 9. The effects, before tax impact are as follows :

Measurement Category	Group				
	FRS 139 carrying amount on 31 Dec 2017 RM	Reclassifications & re-measurements RM	MFRS 9 carrying amount on 1 Jan 2018 RM	Retained earnings effect on 1 Jan 2018 RM	Fair value reserves effect on 1 Jan 2018 RM
FVOCI	68,607	-	68,607	-	-
Reversal of impairment losses for equity instruments	-	-	-	32,278	(32,278)

Impairment

The reconciliation for loss allowances for the Group are as follows :-

	Trade & other receivables RM	Contract assets RM
Opening loss allowance as at 1 January 2018	924,359	-
Amount restated through opening retained earnings	653,478	111,982
Adjusted loss allowance	1,577,837	111,982

The initial application of MFRS 9 does not have any reclassification and financial impairment effect to the Company's financial statements.

(ii) MFRS 15 Revenue from Contracts with Customers

The Group adopted MFRS 15 which is effective for annual periods beginning on or after 1 January 2018.

The Group applied MFRS 15 retrospectively and has elected to apply the exemption in MFRS 1 to apply the following practical expedients in accordance with the transition provisions in MFRS 15 :

- For completed contracts, the Group has not restated contracts that begin and end within the same year or are completed contracts at 1 January 2017. Had the Group elected not to apply this practical expedient, the amount of revenue recorded for the prior year would have been lower;
- For completed contracts that have variable consideration, the Group has used the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative year ended 31 December 2017. Had the Group elected not to apply this practical expedient, the amount of revenue recorded for the prior year would have been lower;
- For the comparative year ended 31 December 2017, the Group has not disclosed the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the corresponding revenue is expected to be recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(ii) MFRS 15 Revenue from Contracts with Customers (Cont'd)

The Group is in the business of property development and construction, sale of automotive products, plantation and hotel & leisure services. The key impact of adopting MFRS 15 is detailed as follows :

(a) Sale of automotive products

<u>Variable consideration</u>

For the sale of automotive products, some contracts with customers provide a right of return, trade discounts or volume rebates. Such provisions give rise to variable consideration under MFRS 15. The Group previously recognised revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and volume rebates. Under MFRS 15, variable consideration is estimated and is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved.

- Volume rebates

  The Group provides retrospective rebates to some of its customers if the customers reach a certain threshold of purchase. Before the adoption of MFRS 15, the Group estimated the probability-weighted average amount of rebates and included a provision for rebates in trade and other payables.

  Under MFRS 15, retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applied the "most likely amount method" for contracts with a single volume threshold and the "expected value method" for contracts with more than one volume threshold. Upon adoption of MFRS 15, the Group recognised refund liabilities of RM300,000 for the expected future rebates on sale of goods which consideration have been received from customers as at 1 January 2017. The Group also derecognised the accruals included in trade payables of RM300,000, as at 1 January 2017.

  The Group's statement of financial position as at 31 December 2017 was restated, resulting in recognition of refund liabilities of RM300,000 and decreases in trade payables of RM300,000.

(b) Sale of development properties

<u>Timing of revenue recognition</u>

The Group is in the business of constructing and developing residential and commercial properties. The Group previously recognised revenue from the sale of development properties under construction using the percentage of completion method for contracts where the legal terms were such that the construction represented the continuous transfer of work in progress to the purchaser, otherwise, the completed contract method was used. Under MFRS 15, for most of its residential development, performance obligations for the sale of development properties are satisfied over time where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date.

As a result, accrued billing in respect of property development costs of RM4,645,593, progress billings in respect of property development costs of RM31,096,559, amount due from contract customers of RM4,606,680 and amount due to contract customers of RM1,709,903 as at 1 January 2017 were reclassified to contract assets and contract liabilities accordingly.

Accrued billing in respect of property development costs of RM23,912,736, progress billings in respect of property development costs of RM25,250,000, amount due from contract customers of RM4,505,238 and amount due to contract customers of RM1,709,903 as at 31 December 2017 were reclassified to contract assets and contract liabilities accordingly.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(iii) Amendments to MFRS 116 Property, plant and equipment and MFRS 141 Agriculture regarding bearer plants

The amendments to MFRS 116 and MFRS 141 define a bearer plant and require a biological asset that meets the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with MFRS 116, instead of MFRS 141. The produce growing on bearer plants continues to be accounted for in accordance with MFRS 141. Following the adoption, these biological assets are measured at fair value less costs to sell. Changes in fair value less costs to sell are recognised in profit or loss. Harvested fresh fruit bunches are transferred to inventories at fair value less costs of disposal when harvested.

The effects from the adoption of MFRS 116 and MFRS 141 on the financial statements are as follow :-

	As previously reported under FRS framework RM	Effect of transition to MFRSS RM	As restated under MFRS framework RM
Statement of Financial Position			
As at 31 December 2017			
Property, plant & equipment	153,235,968	1,180,185	154,416,153
Biological assets – Non-current assets	3,424,795	(3,424,795)	-
Biological assets – Current assets	-	258,186	258,186
Retained earnings	423,263,055	(1,209,136)	422,053,919
Non-controlling interests	24,929,623	(777,288)	24,152,335
Statement of Profit or Loss and Other Comprehensive Income			
For the year ended 31 December 2017			
Other operating income	3,347,625	40,151	3,387,776
Administration expenses	(23,846,279)	(158,516)	(24,004,795)
Non-controlling interests	1,436,736	(40,240)	1,396,496
Statement of Financial Position			
As at 1 January 2017			
Property, plant & equipment	153,377,641	1,328,301	154,705,942
Biological assets – Non-current assets	3,414,395	(3,414,395)	-
Biological assets – Current assets	-	218,035	218,035
Retained earnings	399,073,112	(1,131,011)	397,942,101
Non-controlling interests	23,685,371	(737,048)	22,948,323

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(iv) Reconciliation of the Group's equity reported in accordance with FRS to MFRS

The following is the reconciliation of the impact arising from first-time adoption of MFRS including application of the new accounting standards on 31 December 2017 and 1 January 2018 to the statement of financial position of the Group.

	Group					
	As per AR 31.12.2017 RM	MFRS 15 Adjustments RM	MFRS 116 & 141 Adjustments RM	31.12.2017 RM	MFRS 9 Adjustments RM	01.01.2018 RM
Assets						
Non-current assets						
Property, plant & equipment	153,235,968	-	1,180,185	154,416,153	-	154,416,153
Investment properties	58,187,864	-	-	58,187,864	-	58,187,864
Investment in associated companies	1,452,158	-	-	1,452,158	-	1,452,158
Inventories	-	115,669,950	-	115,669,950	-	115,669,950
Land held for property development	115,669,950	(115,669,950)	-	-	-	-
Other investments	68,607	-	-	68,607	-	68,607
Goodwill	19,085,213	-	-	19,085,213	-	19,085,213
Fixed deposits	2,399,077	-	-	2,399,077	-	2,399,077
Deferred tax assets	699,959	-	-	699,959	-	699,959
Biological assets	3,424,795	-	(3,424,795)	-	-	-
	354,223,591	-	(2,244,610)	351,978,981	-	351,978,981

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(iv) Reconciliation of the Group's equity reported in accordance with FRS to MFRS (Cont'd)

	Group					
	As per AR 31.12.2017 RM	MFRS 15 Adjustments RM	MFRS 116 & 141 Adjustments RM	31.12.2017 RM	MFRS 9 Adjustments RM	01.01.2018 RM
Assets						
Current assets						
Inventories	65,151,428	337,519,342	-	402,670,770	-	402,670,770
Biological assets	-	-	258,186	258,186	-	258,186
Property development costs	337,519,342	(337,519,342)	-	-	-	-
Trade & other receivables	27,415,258	127,602	-	27,542,860	(653,478)	26,889,382
Contract assets	-	28,417,974	-	28,417,974	(111,982)	28,305,992
Other current assets	28,545,576	(28,545,576)	-	-	-	-
Income tax assets	2,350,501	-	-	2,350,501	-	2,350,501
Fixed deposits	45,767,951	-	-	45,767,951	-	45,767,951
Cash & bank balances	25,320,122	-	-	25,320,122	-	25,320,122
	532,070,178	-	258,186	532,328,364	(765,460)	531,562,904
TOTAL ASSETS	886,293,769	-	(1,986,424)	884,307,345	(765,460)	883,541,885

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(iv) Reconciliation of the Group's equity reported in accordance with FRS to MFRS (Cont'd)

	Group					
	As per AR 31.12.2017 RM	MFRS 15 Adjustments RM	MFRS 116 & 141 Adjustments RM	31.12.2017 RM	MFRS 9 Adjustments RM	01.01.2018 RM
Equity and liabilities						
Equity attributable to owners of parent						
Share capital	217,605,412	-	-	217,605,412	-	217,605,412
Retained earnings	423,263,055	-	(1,209,136)	422,053,919	(647,159)	421,406,760
Fair value adjustment reserve	-	-	-	-	(32,278)	(32,278)
	640,868,467	-	(1,209,136)	639,659,331	(679,437)	638,979,894
Non-controlling interests	24,929,623	-	(777,288)	24,152,335	(86,023)	24,066,312
Total equity	665,798,090	-	(1,986,424)	663,811,666	(765,460)	663,046,206
Non-current liabilities						
Finance lease liabilities	472,575	-	-	472,575	-	472,575
Deferred tax liabilities	64,475,714	-	-	64,475,714	-	64,475,714
	64,948,289	-	-	64,948,289	-	64,948,289

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(iv) Reconciliation of the Group's equity reported in accordance with FRS to MFRS (Cont'd)

	Group					
	As per AR 31.12.2017 RM	MFRS 15 Adjustments RM	MFRS 116 & 141 Adjustments RM	31.12.2017 RM	MFRS 9 Adjustments RM	01.01.2018 RM
Equity and liabilities						
Current liabilities						
Trade & other payables	71,800,575	-	-	71,800,575	-	71,800,575
Contract liabilities	-	26,959,903	-	26,959,903	-	26,959,903
Other current liabilities	26,959,903	(26,959,903)	-	-	-	-
Finance lease liabilities	205,992	-	-	205,992	-	205,992
Amount due to related parties	54,001,453	-	-	54,001,453	-	54,001,453
Income tax liabilities	2,579,467	-	-	2,579,467	-	2,579,467
	155,547,390	-	-	155,547,390	-	155,547,390
Total liabilities	220,495,679	-	-	220,495,679	-	220,495,679
TOTAL EQUITY AND LIABILITIES	886,293,769	-	(1,986,424)	884,307,345	(765,460)	883,541,885

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) First-time adoption of Malaysia Financial Reporting Standards (MFRS) (Cont'd)

(iv) Reconciliation of the Group's equity reported in accordance with FRS to MFRS (Cont'd)

The following is the reconciliation of the impact arising from first-time adoption of MFRS and application of the new accounting standards to the comprehensive income of the Group for the year ended 31 December 2017.

	As per AR 31.12.2107 RM	MFRS 15 Adjustments RM	MFRS 116 & 141 Adjustments RM	31.12.2017 RM
Revenue	160,709,144	(405,132)	-	160,304,012
Cost of sales	(100,892,093)	311,332	-	(100,580,761)
Gross profit	59,817,051	(93,800)	-	59,723,251
Other operating income	3,347,625	-	40,151	3,387,776
Selling & distribution costs	(117,311)	-	-	(117,311)
Administration expenses	(23,846,279)	93,800	(158,516)	(23,910,995)
Other operating expenses	(6,124,920)	-	-	(6,124,920)
Finance costs	(46,629)	-	-	(46,629)
Share of loss of associated companies	(92,474)	-	-	(92,474)
Profit before tax	32,937,063	-	(118,365)	32,818,698
Income tax expenses	(7,310,384)	-	-	(7,310,384)
Profit for the year	25,626,679	-	(118,365)	25,508,314
Attributable to :				
Equity holder of the Company	24,189,943	-	(78,125)	24,111,818
Non-Controlling interests	1,436,736	-	(40,240)	1,396,496
	25,626,679	-	(118,365)	25,508,314

(c) Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective :

Description	Effective for annual periods beginning on or after
MFRS 16 Leases	1 January 2019
IC INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual improvements to MFRSs 2015-2017 Cycle	1 January 2019
Amendments to MFRS 3 Definition of a Business	1 January 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective (Cont'd)

Amendments to MFRS 101 Definition of Material	1 January 2020
Amendments to MFRS 108 Definition of Material	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for MFRS 16, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of MFRS 16 are described below.

MFRS 16 Leases

MFRS 16 requires lessees to recognise most leases on statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. MFRS 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt MFRS 16 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of MFRS 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either :

(i) its carrying amount as if MFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Group plans to elect the following practical expedients :

(i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply MFRS 16 to all contracts that were previously identified as leases

(ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019

(iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts MFRS 16 in year 2019.

On the adoption of MFRS 16, the Group expects to recognise right-of-use assets of RM427,924 and lease liabilities of RM445,409 for its leases previously classified as operating leases, with a corresponding decrease in the opening retained earnings of RM17,485 and its related tax impact as of 1 January 2019.

(d) Property, plant & equipment and depreciation

Property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

All costs directly related to bearer plants are capitalised until such time as the bearer plants reach maturity, at which point all further costs are expensed and depreciation commences. Such costs include seedling and planting costs, other upkeep costs, and an allocation of overhead costs.

Notes to the Financial Statements (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant & equipment and depreciation (Cont'd)

Freehold land are not amortised whilst assets under construction are not depreciated. Depreciation for assets under construction will only be charged when the construction of the assets are completed for their intended use. Depreciation commences when the bearer plants mature or when the assets under constructions are ready for their intended use.

Depreciation on all other property, plant & equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant & equipment over their estimated useful lives.

The principal annual rates of depreciation used are as follows :

	%
Leasehold land	1.02 - 1.20
Buildings	1.02 - 2.00
Vehicles	12.50 - 25.00
Plant & machinery	10.00 - 25.00
Furniture, fittings & equipment	10.00 - 33.33
Bearer plants	4.50

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

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in profit or loss.

(e) Impairment of non-financial assets

The carrying amounts of assets, other than inventories, construction contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to profit or loss immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

(f) Investment properties

Investment properties, principally comprising land and buildings are held for rental income or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less any accumulated depreciation and accumulated impairment losses.

Freehold land are not amortised whilst assets under construction are not depreciated. Depreciation for assets under construction will only be charged when the construction of the assets are completed for their intended use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties (Cont'd)

Depreciation on other investment properties is calculated on the straight line basis at rates required to write off the cost of the investment properties over their estimated useful lives.

The principal annual rate of depreciation used is as follows :-

Buildings	1.08% - 4.00%

Upon disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of retirement or disposal.

(g) Basis of consolidation

Subsidiaries 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statements of profit or loss and other comprehensive income, statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to the paragraph "Goodwill" for the accounting policy on goodwill subsequent to initial recognition.

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Basis of consolidation (Cont'd)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(h) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(i) Investment in subsidiaries

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

(j) Investment in associated companies

In the Company's separate financial statements, investment in associated companies is stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence and any retained interest in the former associate is a financial asset. Such retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories

(i) Land held for property development

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current. The carrying amount of such land classified as inventory under non-current assets is carried at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are stated at the lower of costs and net realisable value. The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

(ii) Completed development units & odd lot land

Units of development properties and odd lot land completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

(iv) Finished goods, raw materials and consumable stores

Inventories are stated at the lower of cost and net realisable value. Cost includes cost of purchase plus incidental cost and other costs of bringing the inventories to their present location and condition. The cost of inventories is determined on a weighted average basis.

Net realisable value is the estimate of the selling price in the ordinary course of business, less costs to completion and selling expenses.

(l) Goodwill

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Income tax and deferred tax

Income tax on profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(n) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to be customer, excluding amounts collected on behalf of third party, in the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are :

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measures at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured FVOCI are subsequently measures at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit loss. The cumulative gain or loss previously recognised in other comprehensive income in reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Financial assets (Cont'd)

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

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

(o) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 months ECL). For those credit exposures for which there has been a significant losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculation ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward – looking factors specific to the receivables and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Share capital

Ordinary shares are equity instruments and recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends to shareholders are recognised in equity in the period in which they are declared.

Purchase of own share

Shares repurchased by the Company are held as treasury shares and are accounted for on the cost method. The amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity. Should such shares be cancelled, reissued or disposed of, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves, as appropriate. Where the treasury shares are subsequently distributed as dividends to shareholders, the cost of the treasury shares is applied as reduction of the share premium account or the distributable retained profits or both.

(q) Leases

(i) Finance leases - the Group as lessee

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statements of financial position as property, plant & equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Leasehold land which in substance is a finance lease is classified as property, plant & equipment.

(ii) Operating leases - the Group as lessee

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on the straight-line basis over the period of the lease.

(iii) Operating leases - the Group as lessor

Leases of properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on the straight-line basis over the lease term.

(r) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(s) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Revenue from property development

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue recognition (Cont'd)

(ii) Sale of goods – Trading

The Company sells automotive products in the trading market. Sales are recognised when control of the products have transferred to its customers, being when the products are delivered to the automotive products dealer. The automotive products dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the automotive products dealer's acceptance of the products. The risk of obsolescence and loss have been transferred to the automotive products dealer, and either the automotive products dealer has accepted the products in accordance with the sales contract, the acceptance provision have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 120 days, which is consistent with market practice.

Revenue from sales of automotive products is recognised when the Company has delivered the products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured.

(iii) Revenue from hotels operations

The Group's performance obligation is to provide accommodation and other goods and services to guests. Revenue includes rooms revenue and food and beverage sales, which is recognised when the rooms are occupied and food and beverages are sold.

(iv) Sales of agricultural produce and refined palm oil related products

Revenue from sales of agricultural produce such as crude palm oil ("CPO"), fresh fruit bunches ("FFB") and palm kernel ("PK") are recognised net of discount and taxes collected on behalf at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer; or upon delivery of the goods on board vessels or tankers for onward delivery to the customer.

<u>Revenue from other sources</u>

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows :

(i) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements. Other rent related income is recognised in the accounting period in which the services have been rendered.

(ii) Interest income

Interest income is recognised on an accrual basis, using the effective interest method, unless collectability is in doubt, in which case it is recognised on a receipt basis.

(iii) Dividend income

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

(t) Borrowing costs

Interest on borrowings incurred to finance the construction of property, plant & equipment is capitalised as part of the cost of assets during the period of time that is required to complete and prepare the assets for its intended use. Interest on borrowings incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other interest on borrowings is expensed.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as expenses when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Post-employment benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's and the Company's contributions to a defined contribution plan are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(v) Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is also the Group's and the Company's functional currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(w) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with financial institutions which have an insignificant risk of changes in value. For the purpose of the Statements of Cash Flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

3. REVENUE

The Group and the Company derive the following types of revenue :

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Revenue from contracts with customers (Note a)	**110,720,311**	149,425,835	**-**	-
Revenue from other sources (Note b)	**11,592,084**	10,878,177	**450,323**	379,142
Total revenue	**122,312,395**	160,304,012	**450,323**	379,142

(a) Revenue from contracts with customers

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Property development projects	**45,834,774**	84,236,978	**-**	-
Sale of goods	**39,360,055**	39,465,775	**-**	-
Sale of land	**-**	7,617,280	**-**	-
Sale of completed units	**7,201,510**	781,000	**-**	-
Rendering of services	**13,328,691**	10,932,227	**-**	-
Sale of plantation produce and related products	**4,995,281**	6,375,814	**-**	-
Construction contracts	**-**	16,761	**-**	-
	110,720,311	149,425,835	**-**	-

2018

	Property development* RM	Trading RM	Hotel & Leisure RM	Plantation RM	Group RM
Property development projects	45,834,774	-	-	-	45,834,774
Sale of goods	-	33,246,192	6,113,863	-	39,360,055
Sale of completed units	7,201,510	-	-	-	7,201,510
Rendering of services	662,038	-	12,666,653	-	13,328,691
Sale of plantation produce and related products	-	-	-	4,995,281	4,995,281
	53,698,322	33,246,192	18,780,516	4,995,281	110,720,311
Timing of revenue recognition :					
At a point in time	7,863,548	33,246,192	18,780,516	4,995,281	64,885,537
Over time	45,834,774	-	-	-	45,834,774
	53,698,322	33,246,192	18,780,516	4,995,281	110,720,311

3. REVENUE (CONT'D)

2017

	Property development* RM	Trading RM	Hotel & Leisure RM	Plantation RM	Group RM
Property development projects	84,236,978	-	-	-	84,236,978
Sale of goods	-	34,596,800	4,868,975	-	39,465,775
Construction contracts	16,761	-	-	-	16,761
Sale of completed units	781,000	-	-	-	781,000
Rendering of services	651,305	-	10,280,922	-	10,932,227
Sale of plantation produce and related products	-	-	-	6,375,814	6,375,814
Sale of land	7,617,280	-	-	-	7,617,280
	93,303,324	34,596,800	15,149,897	6,375,814	149,425,835
Timing of revenue recognition :					
At a point in time	9,049,585	34,596,800	15,149,897	6,375,814	65,172,096
Over time	84,253,739	-	-	-	84,253,739
	93,303,324	34,596,800	15,149,897	6,375,814	149,425,835

*Refer to Property development & investment, construction and other related services rendered.

Revenue expected to be recognised in relation to unsatisfied performance obligations :

The following table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the end of the financial year 2018.

	Group 2019 RM	2020 RM	2021 RM
Property development projects	27,838,595	-	-

As permitted under MFRS 1, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 December 2017 is not disclosed, using the transition provisions of MFRS15.

3. REVENUE (CONT'D)

(b) Revenue from other sources

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Rental income from				
- investment properties	**7,546,607**	7,053,988	**-**	-
- other properties	**3,943,242**	3,812,744	**-**	-
Interest income	**35,312**	10,002	**8,034**	2,333
Dividend income from equity investment measured at FVOCI				
- quoted investment, in Malaysia	**2,021**	1,443	**2,021**	1,443
- unquoted subsidiary, in Malaysia	**-**	-	**375,366**	375,366
- others, in Malaysia	**64,902**	-	**64,902**	-
	11,592,084	10,878,177	**450,323**	379,142

4. COST OF SALES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property development costs	**23,586,996**	52,495,598	**-**	-
Cost of land	**-**	2,219,831	**-**	-
Cost of inventories	**34,441,736**	31,642,684	**-**	-
Construction contracts costs	**-**	54,076	**-**	-
Cost of services rendered & other direct operating costs	**14,524,238**	14,168,572	**9,429**	9,561
	72,552,970	100,580,761	**9,429**	9,561

5. OTHER OPERATING INCOME

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Included in other operating income are the following :				
Bad debts recovery	**2,405**	4,000	**-**	-
Dividend income				
- Quoted investment, in Malaysia	**58**	30	**-**	-
Gain on disposal of investment in subsidiary	**-**	174,499	**-**	-
Gain on disposal of property land for government acquisition	**52,794,737**	-	**-**	-
Gain on disposal of property, plant & equipment	**15,079,094**	4,999	**-**	-
Gain on foreign exchange				
- realised	**499**	60,748	**-**	-
- unrealised	**388**	3,758	**-**	-
Interest income from financial assets measured at armotised cost				
- fixed deposits	**2,453,090**	1,824,296	**-**	-
Maintenance income	**-**	134,400	**-**	-
Rental income from other properties	**593,712**	612,462	**-**	-

6. FINANCE COSTS

	Group 2018 RM	Group 2017 RM
Bank overdraft interest	**1,000**	1,000
Finance lease interest	**27,503**	45,629
	28,503	46,629

7. PROFIT BEFORE TAX

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Profit before tax is stated after charging except as disclosed in other notes :				
Auditors' remuneration				
- statutory				
- current financial year	**273,950**	271,500	**23,000**	22,000
- under provision in prior financial year	**1,750**	2,322	**1,000**	-
- others	**6,000**	6,000	**3,000**	3,000
Bad debts written off	**2,850**	19,567	**-**	-
Depreciation	**5,630,274**	6,471,638	**11,690**	11,690
Directors' remuneration				
- fees	**129,000**	144,000	**-**	-
- emoluments	**1,919,834**	2,398,520	**-**	-
Impairment loss on financial assets				
- contract assets	**452**	-	**-**	-
- investments	**-**	32,278	**-**	-
- trade and other receivables - net	**(24,187)**	52,761	**-**	-
Inventories write-down - net	**233,789**	290,006	**-**	-
Fair value changes in biological assets - net	**106,663**	(40,151)	**-**	-
Property, plant & equipment written off	**36,872**	4,643	**-**	-
Rental of equipment	**28,998**	30,265	**-**	-
Rental of premises	**315,159**	332,533	**-**	-

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM2,925,311 (2017: RM3,029,743).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM4,031 (2017: RM4,031).

8. EMPLOYEE COMPENSATION

	Group	
	2018 RM	**2017 RM**
Salaries, wages & bonus	**14,911,658**	14,637,407
Defined contribution plan benefits	**1,355,467**	1,319,375
Other benefits	**1,093,150**	1,049,837
	17,360,275	17,006,619

Included in employee compensation of the Group are executive directors' remuneration amounting to RM1,929,494 (2017: RM2,468,180).

9. INCOME TAX EXPENSE

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Malaysian current income tax	**17,703,742**	8,993,023	**1,600**	450
Over provision in prior financial years	**(87,975)**	(111,130)	**(1)**	-
Deferred tax (Note 19) - origination and reversal of temporary differences	**(97,010)**	(1,571,509)	**-**	-
	17,518,757	7,310,384	**1,599**	450

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

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Profit before tax	**93,714,436**	32,818,698	**291,498**	209,941
Income tax using Malaysian tax rate of 24%	**22,491,465**	7,876,488	**69,960**	50,386
Non deductible expenses	**829,456**	637,722	**37,789**	40,498
Over provision in prior financial years	**(87,975)**	(111,130)	**(1)**	-
Tax effect of unrecognised deferred tax	**(32,192)**	59,485	**-**	-
Income not subject to tax	**(3,610,712)**	(353)	**(106,149)**	(90,434)
Tax effect on share of (profits)/loss of associated companies	**(159,823)**	22,194	**-**	-
Utilisation of investment tax allowance	**(336,198)**	(108,090)	**-**	-
Reduction from standard income tax as a result of increase in taxable income	**(1,575,264)**	(1,065,932)	**-**	-
	17,518,757	7,310,384	**1,599**	450

As announced in the Malaysian Budget 2018, the Group is eligible for a tax rate reduction of up to 4% when its incremental taxable income as compared to the preceding year of assessment increases by a certain threshold.

The Company may distribute dividends out of its entire retained earnings as at 31 December 2018 under single-tier system.

In addition, the Company has tax exempt income as at 31 December 2018 arising from the exempt dividend income and Income Tax (Amendment) Act 1999, relating to tax on income earned in 1999 being waived amounting to approximately RM11,392,000 (2017: RM11,392,000) available for distribution as tax exempt dividends to shareholders. This tax exempt income is subject to agreement by the Inland Revenue Board.

10. EARNINGS PER SHARE ("EPS")

Basic EPS

Basic EPS of the Group is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group 2018 RM	Group 2017 RM
Profit for the year attributable to owners (RM)	**75,548,707**	24,111,818
Weighted average number of ordinary shares in issue	**365,063,800**	365,063,800
Basic EPS (sen)	**20.69**	6.60

11. PROPERTY, PLANT & EQUIPMENT

2018 Group	Freehold land RM	Leasehold land RM	Buildings RM	Vehicles RM	Plant & machinery RM	Furniture, fittings & equipment RM	Assets under construction RM	Bearer plants RM	Total RM
Cost									
At 1.1.2018	46,454,707	4,313,176	106,783,660	8,654,164	15,110,949	16,132,369	4,194,273	3,424,795	205,068,093
Additions	46,036	5,270	323,763	558,646	623,620	662,712	3,414,280	52,350	5,686,677
Disposal	(788,098)	-	-	(390,136)	(1,445,564)	(9,579)	-	-	(2,633,377)
Written off	-	-	-	-	(522,415)	(113,497)	-	-	(635,912)
Transfer	-	(338,141)	1,970,939	-	21,250	1,644,688	(3,682,057)	-	(383,321)
At 31.12.2018	45,712,645	3,980,305	109,078,362	8,822,674	13,787,840	18,316,693	3,926,496	3,477,145	207,102,160
Accumulated Depreciation									
At 1.1.2018	-	594,754	17,241,372	7,741,489	12,228,746	10,600,969	-	2,244,610	50,651,940
Charges during the year	-	44,405	1,644,913	423,560	662,266	1,280,466	-	158,516	4,214,126
Disposal	-	-	-	(331,036)	(1,412,270)	(4,416)	-	-	(1,747,722)
Written off	-	-	-	-	(514,346)	(84,694)	-	-	(599,040)
Transfer	-	(49,102)	-	-	-	-	-	-	(49,102)
At 31.12.2018	-	590,057	18,886,285	7,834,013	10,964,396	11,792,325	-	2,403,126	52,470,202
Net Book Value At 31.12.2018	**45,712,645**	**3,390,248**	**90,192,077**	**988,661**	**2,823,444**	**6,524,368**	**3,926,496**	**1,074,019**	**154,631,958**

11. PROPERTY, PLANT & EQUIPMENT (CONT'D)

2017 Group	Freehold land RM	Leasehold land RM	Buildings RM	Vehicles RM	Plant & machinery RM	Furniture, fittings & equipment RM	Assets under construction RM	Bearer plants RM	Total RM
Cost									
At 1.1.2017	46,454,707	4,311,006	94,895,026	8,438,522	14,044,462	15,223,397	13,558,427	3,414,395	200,339,942
Additions	-	2,170	374,013	245,642	1 ,066,487	921,166	2,150,467	10,400	4,770,345
Disposal	-	-	-	(30,000)	-	-	-	-	(30,000)
Written off	-	-	-	-	-	(12,194)	-	-	(12,194)
Transfer	-	-	11,514,621	-	-	-	(11,514,621)	-	-
At 31.12.2017	46,454,707	4,313,176	106,783,660	8,654,164	15,110,949	16,132,369	4,194,273	3,424,795	205,068,093
Accumulated Depreciation									
At 1.1.2017	-	549,839	15,569,590	7,216,111	11,290,996	8,921,370	-	2,086,094	45,634,000
Charges during the year	-	44,915	1,671,782	555,377	937,750	1,687,150	-	158,516	5,055,490
Disposal	-	-	-	(29,999)	-	-	-	-	(29,999)
Written off	-	-	-	-	-	(7,551)	-	-	(7,551)
At 31.12.2017	-	594,754	17,241,372	7,741,489	12,228,746	10,600,969	-	2,244,610	50,651,940
Net Book Value At 31.12.2017	46,454,707	3,718,422	89,542,288	912,675	2,882,203	5,531,400	4,194,273	1,180,185	154,416,153

11. PROPERTY, PLANT & EQUIPMENT (CONT'D)

2016 Group	Freehold land RM	Leasehold land RM	Buildings RM	Vehicles RM	Plant & machinery RM	Furniture, fittings & equipment RM	Assets under construction RM	Bearer plants RM	Total RM
Cost									
At 1.1.2016	46,408,693	4,256,765	81,270,293	8,048,099	14,536,355	15,538,594	24,332,558	3,414,395	197,805,752
Additions	46,014	54,241	330,000	574,435	808,798	1,788,456	2,520,602	-	6,122,546
Disposal	-	-	-	(184,012)	(24,000)	(4,788)	-	-	(212,800)
Written off	-	-	-	-	(1,276,691)	(2,098,865)	-	-	(3,375,556)
Transfer	-	-	13,294,733	-	-	-	(13,294,733)	-	-
At 31.12.2016	46,454,707	4,311,006	94,895,026	8,438,522	14,044,462	15,223,397	13,558,427	3,414,395	200,339,942
Accumulated Depreciation									
At 1.1.2016	-	505,435	14,108,469	6,908,758	11,979,661	10,224,669	-	1,927,578	45,654,570
Charges during the year	-	44,404	1,461,121	489,380	611,833	797,064	-	158,516	3,562,318
Disposal	-	-	-	(182,027)	(23,999)	(3,903)	-	-	(209,929)
Written off	-	-	-	-	(1,276,499)	(2,096,460)	-	-	(3,372,959)
At 31.12.2016	-	549,839	15,569,590	7,216,111	11,290,996	8,921,370	-	2,086,094	45,634,000
Net Book Value At 31.12.2016	46,454,707	3,761,167	79,325,436	1,222,411	2,753,466	6,302,027	13,558,427	1,328,301	154,705,942

11. PROPERTY, PLANT & EQUIPMENT (CONT'D)

The bearer plants mainly comprise of oil palm trees. There is insignificant amounts of immature of bearer plants included in the bearer plants categories.

The net book value of motor vehicles of the Group held under finance leases are RM191,649 (2017: RM353,645) at the reporting date.

Company	Freehold building		
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
At cost			
At beginning of the financial year	**876,750**	876,750	876,750
Addition	**-**	-	-
Disposal	**-**	-	-
At end of the financial year	**876,750**	876,750	876,750
Less : Accumulated depreciation			
At beginning of the financial year	**210,420**	198,730	187,040
Charge for the financial year	**11,690**	11,690	11,690
At end of the financial year	**222,110**	210,420	198,730
Net Book Value	**654,640**	666,330	678,020

12. INVESTMENT PROPERTIES

	Group		
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
At cost			
At beginning of the financial year	**66,220,549**	65,125,036	65,003,321
Addition	**2,316,899**	1,095,513	121,715
At end of the financial year	**68,537,448**	66,220,549	65,125,036
Less : Accumulated depreciation			
At beginning of the financial year	**8,032,685**	6,616,537	5,205,370
Charge for the financial year	**1,416,148**	1,416,148	1,411,167
At end of the financial year	**9,448,833**	8,032,685	6,616,537
Carrying amounts	**59,088,615**	58,187,864	58,508,499

12. INVESTMENT PROPERTIES (CONT'D)

The investment property with carrying amounts of RM1,698,766 (2017: RM1,698,766) has been pledged to a financial institution for banking facilities granted to the Group.

As at 31 December 2018, the Directors have appraised the fair value of the land and buildings to be RM126,250,000 (2017: RM123,935,000).

The fair value of Group's investment properties are valued based on sale comparison approach and unobservable inputs and classified in Level 2 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 37(c) to the Financial Statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Valuation techniques used to derive Level 2 fair values as follow :-

Level 2 fair values of the Company's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square meter.

13. INVESTMENT IN SUBSIDIARIES

(a) Investment in subsidiaries

		Company	
	31.12.2018	**31.12.2017**	**01.01.2017**
	RM	**RM**	**RM**
Unquoted shares			
- at cost	**196,805,952**	196,805,952	196,805,952
- equity capital contribution	**212,489,210**	251,043,900	151,517,600
	409,295,162	447,849,852	348,323,552

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

The subsidiaries, all of which are incorporated in Malaysia, are as follows :

Name of Company	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held by the Company :			
A & M Construction Sdn. Bhd.	Building construction, housing development, property management and investment holding	**100**	100
A & M Modern Homes Sdn. Bhd.	Property development	**100**	100
AMJ Properties Sdn. Bhd.	Property development	**100**	100
Epic Ventures Sdn. Bhd.	Investment holding	**67.41**	67.41
Makhosetia Sdn. Bhd.	Investment holding	**100**	100
Pembinaan Kesentosaan Sdn. Bhd.	Housing and hotel development, property management, hotel and resort operator and related services	**100**	100
Profail Padu Sdn. Bhd.	Investment holding	**60.00**	60.00
Unik Sejati Sdn. Bhd.	Property development	**100**	100
Welnexco Sdn. Bhd.	Inactive	**69.00**	69.00
Held through A & M Construction Sdn. Bhd. :			
A & M Development Sdn. Bhd.	Housing development, property management and investment holding	**100**	100
Audimco Sdn. Bhd.	Property development and investment holding	**100**	100
Freshland Sdn. Berhad	Property development and related services	**100**	100
Idaman Kalbu Sdn. Bhd.	Housing development and property management	**94.50**	94.50
Lipat Ganda Sdn. Bhd.	Housing development and property management	**94.50**	94.50
Pillar Industries Sdn. Bhd.	Housing development and property management	**94.50**	94.50
Held through A & M Resorts Sdn. Bhd. :			
Sri Utas Sdn. Bhd.	Hotel operator and related services	**100**	100

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal Activities	Effective Equity Interest 2018 %	2017 %
Held through AMJ Holdings Sdn. Bhd. :			
A & M Lifestyle Connections Sdn. Bhd.	Investment holding and provision of management services	**100**	100
A & M Vision Builders Sdn. Bhd.	Property management and investment holding	**100**	100
EUI Professional Academy (M) Sdn. Bhd.	Cultivation and sale of oil palm fruits	**100**	100
Orange Mic Entertainment Sdn. Bhd.	Leisure and entertainment business	**100**	100
Puri Saksama Sdn. Bhd.	Property development	**100**	100
Vertipro Management Sdn. Bhd.	Managing and operating food and beverage	**100**	100
Held through AMJ Properties Sdn. Bhd. :			
Lagenda Anggun Sdn. Bhd.	Property management and related services	**100**	100
Held through Epic Ventures Sdn. Bhd. :			
E.V. Auto Cables Sdn. Bhd.	Inactive	**53.93**	53.93
E.V. Auto Industries Sdn. Bhd.	Trading and assembling of automotive horns and other related products	**38.52**	38.52
E.V. Brake Lining Sdn. Bhd.	Manufacturing and distribution of automotive brake lining products	**61.66**	61.66
E.V. Edaran Sdn. Bhd.	Trading of automotive products	**61.66**	61.66
E.V. Spark Plugs Sdn. Bhd.	Trading of spark plugs	**67.41**	67.41
Mitsinbo Sdn. Bhd.	Trading of automotive products	**67.41**	67.41
Held through Idaman Kalbu Sdn. Bhd. :			
Villa Sentosa Management Sdn. Bhd.	Property management and investment holding	**94.50**	94.50
Held through Makhosetia Sdn. Bhd. :			
AMJ Holdings Sdn. Bhd.	Housing development, property management and investment holding	**100**	100

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal Activities	Effective Equity Interest 2018 %	2017 %
Held through Pembinaan Kesentosaan Sdn. Bhd. :			
A & M Auto Industries Sdn. Bhd.	Investment holding	**100**	100
A & M Resorts Sdn. Bhd.	Investment holding, management of hotel and recreational facilities	**100**	100
Bunut Enterprise Sdn. Bhd.	Housing development and building construction	**100**	100
Kesentosaan Property Management Sdn. Bhd.*	Property management and related services	**100**	-
Lanjut Perkasa Sdn. Bhd.	Housing development and property management	**100**	100
Lockwell Enterprise Sdn. Bhd.	Property development and investment holding	**100**	100
Penghantaran Bintang Jaya Sdn. Bhd.	Property development	**100**	100
Saujana Springs Sdn. Bhd.	Property development	**70.00**	70.00
Tasik Saujana Sdn. Bhd.	Investment holding and hotel operations	**100**	100
Tenaga Kilat Sdn. Bhd.	Property management and investment holding	**100**	100
Tengku Mohd. Kamil Dan Ng Sendirian Berhad	Housing development and investment holding	**100**	100
T.G. Industrial Park Sdn. Bhd.	Property management and investment holding	**100**	100
Tour Haven Sdn. Bhd.	Property management and investment holding	**100**	100
Held through Profail Padu Sdn. Bhd. :			
AA Industrial Capital Sdn. Bhd.	Plantation	**60.00**	60.00
Amverton Carey Golf & Island Resort Sdn. Bhd.	Dormant	**60.00**	60.00
Amverton Cove Golf & Island Resort Sdn. Bhd.	Hotel operator and tourism related activities	**60.00**	60.00
Carey Island Golf & Country Management Sdn. Bhd.	Dormant	**60.00**	60.00
Exemplary Resources Sdn. Bhd.	Tourism related activities and agriculture	**60.00**	60.00
Farming Hub Sdn. Bhd.	Real estate activities	**60.00**	60.00

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal Activities	Effective Equity Interest 2018 %	2017 %
Held through Profail Padu Sdn. Bhd. (Cont'd) :			
Happy View Development Sdn. Bhd.	Property development	**60.00**	60.00
Jetpalms Sdn. Bhd.	Real estate activities and property development	**60.00**	60.00
Jewelacres Sdn. Bhd.	Real estate activities and property development	**60.00**	60.00
Ladang Seri Permai Sdn. Bhd.	Real estate activities and property development	**60.00**	60.00
Ladang YS (Selangor) Sdn. Bhd.	Cultivation and sale of oil palm fruits	**60.00**	60.00
Precious Orchard Sdn. Bhd.	Tourism related activities and agriculture	**60.00**	60.00
Total Wellbeing Sdn. Bhd.	Real estate activities and property development	**60.00**	60.00
T.G. Development Park Sdn. Bhd.	Property development	**60.00**	60.00
Held through Saujana Springs Sdn. Bhd. :			
Tahap Kukuh Sdn. Bhd.	Property development	**70.00**	70.00
Tetap Sejahtera Sdn. Bhd.	Property development	**70.00**	70.00
Wasdiri Sdn. Bhd.	Property development	**70.00**	70.00
Held through Unik Sejati Sdn. Bhd. :			
Gerbang Property Management Sdn. Bhd.*	Property management and related services	**100**	-

*First audited financial statement in 2019

Equity capital contribution is deemed as capital contribution to subsidiaries and are considered as part of the Company's investment in the subsidiaries.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly or indirectly by the parent company do not differ from the proportion of ordinary shares held.

The country of incorporation of subsidiary is also their place of principal place of business.

The accumulated non-controlling interest as at 31 December 2018 is RM24,531,850 (2017: RM24,152,335), of which RM11,242,926 (2017: RM10,846,738) is for Epic Ventures Sdn. Bhd. Group, RM12,973,791 (2017: RM12,963,852) is attributed to Profail Padu Sdn. Bhd. Group. The non-controlling interest in respect of Pillar Industries Sdn. Bhd., Lipat Ganda Sdn. Bhd., Idaman Kalbu Sdn. Bhd. Group, Saujana Springs Sdn. Bhd. Group and Welnexco Sdn. Bhd. are not material.

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests ("NCI") that are material to the Group.

	2018			
	Profail Padu Group RM	**Epic Ventures Group RM**	**Other individually immaterial subsidiaries RM**	**Total RM**
NCI effective equity interest	*40.00%*	*32.59%*		
Carrying amount of NCI	12,973,791	11,242,926	315,133	24,531,850
Profit allocated to NCI	53,486	598,392	(4,906)	646,972
Impact arising from adoption of MFRS 9	(43,547)	(20,770)	(21,706)	(86,023)

Summarised financial information before inter-company elimination

As at 31 December		
Non-current assets	80,377,279	3,956,136
Current assets	28,791,110	31,702,105
Non-current liabilities	(2,098,661)	(85,000)
Current liabilities	(2,506,059)	(3,203,387)
Net assets	104,563,669	32,369,854
Year ended 31 December		
Revenue	15,413,232	33,588,441
Profit for the year	133,716	1,716,433
Total comprehensive income	133,716	1,716,433
Cash flows (used in)/from operating activities	(7,536,704)	2,357,896
Cash flows from investing activities	9,070,415	71,589
Cash flows used in financing activities	(10,420)	(576,483)
Net increase in cash and cash equivalents	1,523,291	1,853,002
Dividend paid to NCI	-	181,434

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

	2017			
	Profail Padu Group RM	Epic Ventures Group RM	Other individually immaterial subsidiaries RM	Total RM
NCI effective equity interest	*40.00%*	*32.59%*		
Carrying amount of NCI	12,963,852	10,846,738	341,745	24,152,335
Profit allocated to NCI	1,005,304	397,052	(5,860)	1,396,496

Summarised financial information before inter-company elimination

As at 31 December		
Non-current assets	64,413,958	4,095,774
Current assets	17,608,150	30,808,830
Non-current liabilities	(1,750,585)	(85,000)
Current liabilities	(1,262,731)	(3,333,069)
Net assets	79,008,792	31,486,535
Year ended 31 December		
Revenue	17,802,950	35,001,932
Profit for the year	2,513,260	1,128,030
Total comprehensive income	2,513,260	1,128,030
Cash flows from operating activities	3,577,392	3,804,130
Cash flows used in investing activities	(2,459,024)	(9,644)
Cash flows used in financing activities	(5,264)	(574,649)
Net increase in cash and cash equivalents	1,113,104	3,219,837
Dividend paid to NCI	-	181,434

13. INVESTMENT IN SUBSIDIARIES (CONT'D)

	2016			
	Profail Padu Group RM	Epic Ventures Group RM	Other individually immaterial subsidiaries RM	Total RM
NCI effective equity interest	*40.00%*	*32.59%*		
Carrying amount of NCI	11,958,548	10,631,120	358,655	22,948,323
Profit allocated to NCI	865,579	333,260	(6,178)	1,192,661

Summarised financial information before inter-company elimination

As at 31 December		
Non-current assets	63,653,698	4,303,896
Current assets	16,489,015	30,338,023
Non-current liabilities	(1,484,933)	(61,000)
Current liabilities	(46,397,448)	(3,695,041)
Net assets	32,260,332	30,885,878
Year ended 31 December		
Revenue	16,623,068	38,106,245
Profit for the year	2,163,947	909,284
Total comprehensive income	2,163,947	909,284
Cash flows (used in)/from operating activities	(797,661)	2,247,533
Cash flows used in investing activities	(1,209,420)	(204,061)
Cash flows used in financing activities	(10,336)	(18,022)
Net (decrease)/increase in cash and cash equivalents	(2,017,417)	2,025,450
Dividend paid to NCI	-	-

Changes in the Group's ownership interest in subsidiaries without losing control

There were no significant changes during the year (2017: Nil) in the Group's ownership interest in its subsidiaries.

(b) Amount due from/(to) subsidiaries

The amount due from/(to) subsidiaries pertains mainly to advances and payments on behalf. The outstanding amounts are unsecured, interest free and repayable on demand.

14. INVESTMENT IN ASSOCIATED COMPANIES

	Group		
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Unquoted shares, at cost	**1,552,850**	1,552,850	1,552,850
Share of post-acquisition profit/(loss)	**565,236**	(100,692)	(8,218)
	2,118,086	1,452,158	1,544,632

The associated companies, all of which are incorporated in Malaysia, are as follows :

Name of Company	Principal Activities	Effective Equity Interest 2018 %	2017 %
^*Bunga Laut Sdn. Bhd.	Property development and property management	**20**	20
^*Ikatan Gembong Sdn. Bhd.	Investment holding	**30**	30
<u>Held through Epic Ventures Sdn. Bhd. :</u>			
*Sebangga Auto Sdn. Bhd.	Trading of vehicles, automotive products and other related services	**30**	30

**Associated companies not audited by HLB Ler Lum*
^Companies with financial year ended 30 June

The associated companies listed above have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

There are no contingent liabilities related to the Group's interest in the associated companies.

As indicated above, the financial year end of certain associated companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 31 December were used in conjunction with their audited financial statements for the financial year ended 30 June as the case may be.

The summarised financial information of the associated companies are as follows :

	Group		
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Non-current assets	**2,115,808**	2,205,698	1,469,068
Current assets	**17,275,329**	38,982,199	14,866,614
Current liabilities	**(14,279,202)**	(36,623,777)	(11,459,989)
Net assets	**5,111,935**	4,564,120	4,875,693

	Group	
	2018 RM	2017 RM
Revenue	**83,035,260**	57,559,556
Profit/(Loss) for the year	**2,881,149**	(295,985)

Goodwill amounting to RM836,268 (2017: RM836,268) was included in the carrying amount of investment in associated companies.

15. INVENTORIES

		Group	
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Non-current			
Land held for property development (Note a)	**130,090,963**	115,669,950	116,425,125
Current			
Completed property units	**88,332,674**	59,011,884	59,338,002
Finished goods	**5,395,849**	5,765,946	6,595,342
Raw materials	**116,315**	190,840	321,975
Odd lot land	**115,860**	115,860	115,860
Production supplies	**68,493**	66,898	61,630
	94,029,191	65,151,428	66,432,809
Property development costs (Note b)	**306,832,277**	337,519,342	338,088,618
	400,861,468	402,670,770	404,521,427
Total inventories	**530,952,431**	518,340,720	520,946,552

(a) Land held for property development

Group	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
2018				
At beginning of the financial year	96,752,840	10,322,955	8,594,155	115,669,950
Additions	-	5,220,150	9,200,863	14,421,013
At end of the financial year	96,752,840	15,543,105	17,795,018	130,090,963
2017				
At beginning of the financial year	98,934,075	10,322,955	7,168,095	116,425,125
Additions	-	-	1,464,656	1,464,656
Disposals	(2,181,235)	-	(38,596)	(2,219,831)
At end of the financial year	96,752,840	10,322,955	8,594,155	115,669,950
2016				
At beginning of the financial year	98,934,075	10,322,955	6,981,326	116,238,356
Additions	-	-	186,769	186,769
At end of the financial year	98,934,075	10,322,955	7,168,095	116,425,125

15. INVENTORIES (CONT'D)

(b) Property development costs

Group
2018

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Cumulative property development costs :-				
At beginning of the financial year	191,378,027	44,513,431	202,545,141	438,436,599
Cost incurred during the financial year	-	9,824,401	18,552,638	28,377,039
Disposal of land	(1,407,708)	-	(1,221,670)	(2,629,378)
Transfer from property, plant & equipment	-	334,219	-	334,219
Transfer to inventories	(9,279,741)	-	(23,902,208)	(33,181,949)
Reversal of completed project	(6,837,704)	-	(17,612,153)	(24,449,857)
At end of the financial year	173,852,874	54,672,051	178,361,748	406,886,673
Cumulative cost recognised in profit or loss :-				
At beginning of the financial year				(100,917,257)
Recognised during the financial year				(23,586,996)
Reversal of completed project				24,449,857
At end of the financial year				(100,054,396)
Property development costs at end of the financial year				306,832,277

15. INVENTORIES (CONT'D)

(b) Property development costs (Cont'd)

Group
2017

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Cumulative property development costs :-				
At beginning of the financial year	191,378,027	44,513,431	150,618,819	386,510,277
Cost incurred during the financial year	-	-	51,926,322	51,926,322
At end of the financial year	191,378,027	44,513,431	202,545,141	438,436,599
Cumulative cost recognised in profit or loss :-				
At beginning of the financial year				(48,421,659)
Recognised during the financial year				(52,495,598)
At end of the financial year				(100,917,257)
Property development costs at end of the financial year				337,519,342

2016

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Cumulative property development costs :-				
At beginning of the financial year	201,188,101	44,513,431	109,848,938	355,550,470
Cost incurred during the financial year	-	-	54,094,720	54,094,720
Reversal of completed project	(9,810,074)	-	(13,324,839)	(23,134,913)
At end of the financial year	191,378,027	44,513,431	150,618,819	386,510,277
Cumulative cost recognised in profit or loss :-				
At beginning of the financial year				(57,812,771)
Recognised during the financial year				(13,743,801)
Reversal of completed project				23,134,913
At end of the financial year				(48,421,659)
Property development costs at end of the financial year				338,088,618

16. OTHER INVESTMENTS

	Group		
	31.12.2018 **RM**	**31.12.2017** **RM**	**01.01.2017** **RM**
Quoted shares in Malaysia			
Available-for-sale financial assets	**-**	68,607	100,885
At fair value through other comprehensive income	**67,755**	-	-
	67,755	68,607	100,885

	Company		
	31.12.2018 **RM**	**31.12.2017** **RM**	**01.01.2017** **RM**
Quoted shares in Malaysia			
Available-for-sale financial assets	**-**	64,980	64,980
At fair value through other comprehensive income	**64,980**	-	-
	64,980	64,980	64,980

Fair value losses include a loss allowance due to impairment of security instruments, at FVOCI of RM852.

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long term appreciation.

17. GOODWILL

	Group		
	31.12.2018 **RM**	**31.12.2017** **RM**	**01.01.2017** **RM**
Cost			
At beginning & end of the financial year	**21,001,269**	21,001,269	21,001,269
Accumulated impairment losses			
At beginning & end of the financial year	**1,916,056**	1,916,056	1,916,056
Carrying amount at end of the financial year	**19,085,213**	19,085,213	19,085,213

Goodwill only arises in business combinations. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management judgement.

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the following business segments :-

	2018 **RM**	**2017** **RM**
Property development & investment, construction and other related services rendered ("CGU A")	**18,168,411**	18,168,411
Trading ("CGU B")	**916,802**	916,802
	19,085,213	19,085,213

17. GOODWILL (CONT'D)

(i) Recoverable amount based on fair value less costs to sell

The recoverable amount of CGU A is based on fair value less costs to sell. The fair value less costs to sell is based on observable market price for similar assets or observable market price for assets of different nature, condition or location which is adjusted to reflect the different nature, condition or location of assets. The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique used (see note 37(c)).

(ii) Recoverable amount based on value in use

The recoverable amount of CGU B was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management. Cash flows beyond the projection period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the automotive products business in which the CGU operates.

Key assumptions used for value-in-use calculations :

	CGU B	
	2018	**2017**
	%	**%**
Gross margin[1]	**16.00**	16.00
Growth rate[2]	**5.00**	5.00
Pre-tax discount rate[3]	**8.65**	8.65
Terminal growth rate [4]	**5.85**	3.65

1. Budgeted gross margin

2. Weighted average growth rate used to extrapolate cash flows beyond the budget period

3. Pre-tax discount rate applied to the cash flow projections

4. Terminal growth rate indicates the expected growth of cash flows after the forecast period

These assumptions were used for the analysis of CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of the market development. The weighted average growth rate used was consistent with the forecasts included in industry reports. The discount rate used were pre-tax and reflected specific risks relating to the business segment.

(iii) Sensitivity to change in key assumptions

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's results. The Group's review includes the key assumptions related to sensitivity in the cash flow projections.

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGU B to equal the corresponding carrying amounts assuming no change in the other variables are as follows :

	2018	**2017**
	%	**%**
Gross margin	**14.76**	14.55
Growth rate	**4.13**	4.41
Discount rate	**10.92**	10.29
Terminal growth rate	**7.50**	8.45

18. FIXED DEPOSITS WITH LICENSED BANKS

	Group		
	31.12.2018	**31.12.2017**	**01.01.2017**
	RM	**RM**	**RM**
Non-current	**6,056,799**	2,399,077	2,385,229
Current	**50,356,826**	45,767,951	43,289,455
	56,413,625	48,167,028	45,674,684

Fixed deposits of the Group amounting to RM6,056,799 (2017: RM2,399,077) have been pledged to financial institutions for bank facilities granted to the Group.

The fixed deposits of the Group at the reporting date are subject to floating interest rates ranging from 2.05% to 4% (2017: 2.05% to 4.04%) per annum.

Fixed deposits of the Group have maturities ranging from 2 to 365 days (2017: 2 to 365 days).

19. DEFERRED TAX

	Group		
	31.12.2018	**31.12.2017**	**01.01.2017**
	RM	**RM**	**RM**
Deferred tax assets	**(716,959)**	(699,959)	(716,459)
Deferred tax liabilities	**64,395,704**	64,475,714	66,063,723
	63,678,745	63,775,755	65,347,264
The movement in the deferred tax account is as follows :			
At beginning of the financial year	**63,775,755**	65,347,264	65,506,133
Recognised in profit or loss (Note 9)	**(97,010)**	(1,571,509)	(158,869)
At end of the financial year	**63,678,745**	63,775,755	65,347,264

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the statements of financial position :-

19. DEFERRED TAX (CONT'D)

2018	At 01.01.2018 RM	Group Recognised in profit or loss RM	At 31.12.2018 RM
Deferred tax assets			
- property development	(663,959)	-	(663,959)
- other payables	(55,000)	24,000	(31,000)
- property, plant & equipment	(36,000)	12,000	(24,000)
- unabsorbed capital allowance	-	(888,000)	(888,000)
	(754,959)	(852,000)	(1,606,959)
Deferred tax liabilities			
- investment properties	3,982,045	(66,824)	3,915,221
- property development	49,110,615	(2,113,187)	46,997,428
- property, plant & equipment	8,004,009	1,229,000	9,233,009
- inventories	3,434,045	1,706,001	5,140,046
	64,530,714	754,990	65,285,704
Net (after offsetting)	63,775,755	(97,010)	63,678,745

2017	At 01.01.2017 RM	Recognised in profit or loss RM	At 31.12.2017 RM
Deferred tax assets			
- property development	(663,959)	-	(663,959)
- other payables	(55,000)	-	(55,000)
- property, plant & equipment	(52,500)	16,500	(36,000)
	(771,459)	16,500	(754,959)
Deferred tax liabilities			
- investment properties	4,048,869	(66,824)	3,982,045
- property development	50,420,800	(1,310,185)	49,110,615
- property, plant & equipment	8,215,009	(211,000)	8,004,009
- inventories	3,434,045	-	3,434,045
	66,118,723	(1,588,009)	64,530,714
Net (after offsetting)	65,347,264	(1,571,509)	63,775,755

19. DEFERRED TAX (CONT'D)

2016	At 01.01.2016 RM	Group Recognised in profit or loss RM	At 31.12.2016 RM
Deferred tax assets			
- property development	(663,959)	-	(663,959)
- other payables	(48,240)	(6,760)	(55,000)
- others	(46,000)	46,000	-
- property, plant & equipment	-	(52,500)	(52,500)
	(758,199)	(13,260)	(771,459)
Deferred tax liabilities			
- investment properties	4,115,693	(66,824)	4,048,869
- property development	50,413,891	6,909	50,420,800
- property, plant & equipment	8,078,648	136,361	8,215,009
- inventories	3,656,100	(222,055)	3,434,045
	66,264,332	(145,609)	66,118,723
Net (after offsetting)	65,506,133	(158,869)	65,347,264

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

	31.12.2018 RM	Group 31.12.2017 RM	01.01.2017 RM
Unutilised tax losses	**5,960,541**	5,875,689	4,959,359
Unabsorbed capital allowances	**774,970**	708,405	643,844
	6,735,511	6,584,094	5,603,203
Potential tax benefits calculated at 24% tax rate	**1,616,523**	1,580,183	1,344,769

The unutilised tax losses and unabsorbed capital allowances are subject to agreement with the Inland Revenue Board.

20. BIOLOGICAL ASSETS

Biological assets comprise oil palm fresh fruit bunches (FFB) growing on palm trees.

		Group	
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
At beginning of the financial year	**258,186**	218,035	128,941
Transfers to produced stocks	**(258,186)**	(218,035)	(128,941)
Fair value changes	**151,523**	258,186	218,035
At end of the financial year	**151,523**	258,186	218,035

The biological assets' maturity periods is within 1 year.

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

The biological assets of the Group comprise FFB prior to harvest. The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value, the management has considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 2 weeks to harvest is negligible, therefore quantity of unripe FFB on bearer plant of up to 2 weeks prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately of the ripe FFB, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Costs to sell include harvesting cost, transport and windfall profit levy.

During the financial year, the Group harvested approximately 11,000 tonnes (2017: 10,900 tonnes) of FFB.

The fair value measurement of the Group's biological assets are categorised within Level 3 of the fair value hierarchy. If the FFB selling price changes by 10%, profit or loss for the Group and the Company would have equally increased or decreased by approximately RM15,000 (2017: RM26,000).

21. TRADE & OTHER RECEIVABLES

		Group	
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Trade receivables	**25,003,682**	22,543,893	22,140,893
Other receivables	**11,690,442**	2,903,712	4,141,729
Deposits	**3,673,064**	2,892,012	2,681,209
Prepayments	**151,385**	127,602	250,240
	40,518,573	28,467,219	29,214,071
Less : Impairment			
- Trade receivables	**(958,073)**	(758,621)	(709,977)
- Other receivables	**(587,518)**	(165,738)	(165,738)
- Deposits	**(5,209)**	-	-
	38,967,773	27,542,860	28,338,356

21. TRADE & OTHER RECEIVABLES (CONT'D)

		Company	
	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Other receivables	**-**	-	364
Deposits	**388,781**	193,053	8,453
	388,781	193,053	8,817

Trade receivables are non-interest bearing and are generally on 30 to 150 days (2017: 30 to 150 days) terms. They are recognised at their original invoiced amounts which represent their values on initial recognition.

Included in trade receivables of the Group is the retention of progress billings for contract works amounting to RM586,047 (2017: RM598,007).

Other receivables are non-interest bearing and repayable on demand.

Includes in other receivables of the Group is the balance of proceed for disposal of land for government acquisition amounting to RM8,755,797 (2017: Nil).

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, which cover a broad spectrum of end markets. The Group's historical experience in collection of debts falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

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

	31.12.2017 RM	01.01.2017 RM
Neither past due nor impaired	16,301,665	17,814,549
1 to 30 days past due but not impaired	468,641	563,004
31 to 60 days past due but not impaired	61,314	68,129
61 to 90 days past due but not impaired	26,009	9,960
More than 91 days past due but not impaired	4,927,643	2,975,274
Impaired	758,621	709,977
	22,543,893	22,140,893

The Group has trade receivables amounting to RM5,483,607 as at 31 December 2017 and RM3,616,367 as at 1 January 2017 that are past due at the reporting date but not impaired. These include mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

	31.12.2017 RM	01.01.2017 RM
Movement in allowance accounts :		
At 1 January	875,715	789,896
Charge for the financial year	119,811	186,893
Reversal of impairment losses	(67,050)	(101,074)
Written off	(4,117)	-
At 31 December	924,359	875,715

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

21. TRADE & OTHER RECEIVABLES (CONT'D)

Expected credit losses ("ECL")

The movement in allowance for ECL of receivables and contract assets computes based on lifetime ECL are as follows :-

	Group Receivables 31.12.2018 RM	Contract assets 31.12.2018 RM
Movement in allowance accounts :		
At 1 January	924,359	-
Impact of MFRS 9	653,478	111,982
Charge for the financial year	58,056	452
Reversal of impairment losses	(82,243)	-
Written off	(2,850)	-
At 31 December	1,550,800	112,434

22. CONTRACT ASSETS/(LIABILITIES)

	31.12.2018 RM	Group 31.12.2017 RM	01.01.2017 RM
Contract assets from			
- property development	**17,474,116**	23,912,736	4,645,593
- construction contract	**4,527,840**	4,505,238	4,606,680
	22,001,956	28,417,974	9,252,273
Less : Impairment losses			
- construction contract	**(112,434)**	-	-
Total contract assets	**21,889,522**	28,417,974	9,252,273
Contract liabilities from			
- property development	**25,250,000**	25,250,000	31,096,559
- construction contract	**1,709,903**	1,709,903	1,709,903
Total contract liabilities	**26,959,903**	26,959,903	32,806,462
Net	**(5,070,381)**	1,458,071	(23,554,189)

The Group issue progress billings to purchasers when the billing milestones are attained. The Group recognise revenue when the performance obligation is satisfied.

The aggregate of the costs incurred and the attributable profit or loss recognised on property development is compared against the progress billings up to the end of the financial year. Where the revenue recognised in profit or loss exceeds billings to purchasers, the balance is presented as contract assets. Where billings to purchasers exceed revenue recognised in profit or loss, the balance is presented as contract liabilities.

The Group's contract assets and contract liabilities relating to the sale of properties and construction contract as of each reporting period can be summarised as follows :

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

	Group 31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
At 1 January	**1,458,071**	(23,554,189)	(34,442,872)
Impact of MFRS 9	**(111,982)**	-	-
Revenue recognised during the financial year	**45,834,774**	84,253,739	37,237,974
Progress billings during the financial year	**(52,250,792)**	(59,241,479)	(26,349,291)
Impairment losses	**(452)**	-	-
At 31 December	**(5,070,381)**	1,458,071	(23,554,189)

23. AMOUNT DUE FROM/(TO) RELATED PARTIES

	Group 31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
(a) Amount due to related parties			
Amount due to holding company	**5,334,000**	5,334,000	5,334,000
Amount due to related parties	**48,667,083**	48,667,453	48,667,453
	54,001,083	54,001,453	54,001,453

	Company 31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Amount due from related parties			
Amount due from subsidiaries	**27,217**	53,948	8,479,876
Amount due to related parties			
Amount due to subsidiaries	**163,868,866**	202,511,687	111,499,815

(b) Amount due from/(to) subsidiaries

The amount due from/(to) subsidiaries pertain mainly to advances and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand.

(c) Amount due to related parties

The amount due to related parties pertain mainly to purchase of land, advances, receipts and payments on behalf. The outstanding amounts are unsecured, interest free and repayable on demand.

(d) Holding company

The amount due to holding company pertains mainly to advances and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand.

The Directors regard Dalta Industries Sdn. Bhd., a company incorporated in Malaysia as its holding company.

24. CASH & BANK BALANCES

Included in the cash & bank balances of the Group are amounting to RM10,249,588 (2017: RM13,912,687) which are held pursuant to Section 7A of the Housing Development (Control & Licensing) Amendment Act 2002 and therefore restricted from use in other operations.

25. SHARE CAPITAL

	Group/Company		
	31.12.2018 RM	**31.12.2017 RM**	**01.01.2017 RM**
Issued and fully paid :-			
At beginning of the financial year - 365,063,800 ordinary shares with no par value	**217,605,412**	182,531,900	182,531,900
Transition to no par value regime* (Note 26)	**-**	35,073,512	-
At end of the financial year - 365,063,800 ordinary shares with no par value	**217,605,412**	217,605,412	182,531,900

*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 RM35,073,512 became 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 RM35,073,512 for purposes as set out in Section 618(3). There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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

(a) Treasury shares

The shareholders of the Company, by an ordinary resolution passed at an Annual General Meeting held on 21 June 2018, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

There are no repurchase of own shares during the financial year ended 31 December 2018.

26. SHARE PREMIUM

	Group/Company		
	31.12.2018 RM	**31.12.2017 RM**	**01.01.2017 RM**
At beginning of the financial year	**-**	35,073,512	35,073,512
Transition to no par value regime (Note 25)	**-**	(35,073,512)	-
At end of the financial year	**-**	-	35,073,512

27. FINANCE LEASE LIABILITIES

	31.12.2018 RM	Group 31.12.2017 RM	01.01.2017 RM
Minimum finance lease payments :-			
Payable not later than 1 year	**127,020**	233,497	249,492
Payable later than 1 year and not later than 5 years	**384,699**	441,986	595,878
Payable later than 5 years	**12,433**	82,166	179,253
	524,152	757,649	1,024,623
Less : Future finance charges	**(51,579)**	(79,082)	(124,711)
Present value of finance lease liabilities	**472,573**	678,567	899,912
Present value of finance lease liabilities :-			
Payable not later than 1 year	**107,100**	205,992	211,280
Payable later than 1 year and not later than 5 years	**353,240**	392,570	519,392
Payable later than 5 years	**12,233**	80,005	169,240
	472,573	678,567	899,912

The finance lease liabilities of the Group carry weighted average interest at the reporting date of 3.11% (2017: 3.06%) per annum.

28. TRADE & OTHER PAYABLES

	31.12.2018 RM	Group 31.12.2017 RM	01.01.2017 RM
Trade payables	**9,333,036**	11,516,791	8,366,113
Other payables	**8,425,084**	58,661,698	58,283,219
Refund liabilities	**280,000**	300,000	300,000
Accruals	**1,413,691**	1,322,086	1,698,906
	19,451,811	71,800,575	68,648,238
The currency exposure profile of trade payables is as follows :-			
Ringgit Malaysia	**8,930,600**	11,255,393	8,349,415
US Dollar	**402,436**	261,398	16,698
	9,333,036	11,516,791	8,366,113

28. TRADE & OTHER PAYABLES (CONT'D)

		Company	
	31.12.2018	31.12.2017	01.01.2017
	RM	RM	RM
Other payables	**900**	5,275	24,875
Accruals	**23,295**	27,231	41,743
	24,195	32,506	66,618

Trade payables and other payables are non-interest bearing and normally settled on 30 to 90 days (2017: 30 to 90 days) terms and 30 to 90 days (2017: 30 to 90 days) terms respectively.

Included in the Group's accruals are post-employment defined contribution plan of RM23,271 (2017: RM14,165) in respect of Employees Provided Fund.

29. SEGMENT INFORMATION

The Group is organised into the following main business segments :

(i) Property development & investment, construction and other related services rendered

Construction and development of residential, commercial and industrial properties. Property investment included provision of rental income and other services.

Other related services rendered include the provision of services related to the construction, property development & investment and administrative services.

(ii) Trading

Trading of automotive parts and related products.

(iii) Hotel and leisure related services

Provision of hospitality services, food and beverages.

(iv) Plantation

Plantation of oil palm and tropical fruits.

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used to make strategic decisions, allocate resources and assess performance.

The CODM receives separate reports for property development & investment, construction and other related services rendered businesses, they have been aggregated into one reportable segments as they have similar economic characteristics.

Although the plantation segment does not meet the quantitative thresholds required by MFRS 8 for reportable segments, management has concluded that this segment should be reported, as it is closely monitored by CODM as a potential growth segment.

The geographical segment information is not presented as the Group's activities are carried out predominantly in Malaysia.

The segment information provided to the CODM for the reportable segments is as follows :

29. SEGMENT INFORMATION (CONT'D)

	Property development & investment, construction and other related services rendered		Trading		Hotel & leisure related services		Plantation		Group	
	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM
REVENUE										
Total revenue	**65,767,772**	104,683,867	**33,246,192**	34,596,800	**18,782,926**	15,154,985	**4,995,281**	6,375,814	**122,792,171**	160,811,466
Inter-segment sales	**(477,366)**	(502,366)	**-**	-	**(2,410)**	(5,088)	**-**	-	**(479,776)**	(507,454)
External sales	**65,290,406**	104,181,501	**33,246,192**	34,596,800	**18,780,516**	15,149,897	**4,995,281**	6,375,814	**122,312,395**	160,304,012
RESULTS										
Interest income	**1,652,355**	616,142	**625,450**	489,956	**159,046**	704,647	**16,239**	13,551	**2,453,090**	1,824,296
Finance costs	**(23,405)**	(35,244)	**(1,000)**	(1,000)	**(4,098)**	(10,385)	**-**	-	**(28,503)**	(46,629)
Share of results of associated companies	**396,280**	6,916	**269,648**	(99,390)	**-**	-	**-**	-	**665,928**	(92,474)
Profit/(loss) before tax	**89,096,377**	29,180,040	**2,193,896**	1,714,556	**2,795,251**	695,587	**(371,088)**	1,228,515	**93,714,436**	32,818,698

29. SEGMENT INFORMATION (CONT'D)

	Property development & investment, construction and other related services rendered		Trading		Hotel & leisure related services		Plantation		Group	
	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM
ASSETS AND LIABILITIES										
Investment in associated companies	**1,755,315**	1,359,035	**362,771**	93,123	**-**	-	**-**	-	**2,118,086**	1,452,158
Other segment assets	**728,441,903**	708,153,579	**36,408,579**	35,730,072	**106,536,428**	103,285,561	**35,295,042**	35,685,975	**906,681,952**	882,855,187
Borrowings	**396,090**	573,323	**-**	-	**76,483**	105,244	**-**	-	**472,573**	678,567
Other segment liabilities	**161,895,474**	213,354,285	**3,272,316**	3,419,997	**3,437,248**	2,547,535	**662,828**	495,295	**169,267,866**	219,817,112
OTHER SEGMENT INFORMATION										
Addition to non-current assets	**17,443,055**	2,669,761	**42,409**	14,644	**4,634,175**	4,034,368	**304,950**	611,741	**22,424,589**	7,330,514
Depreciation & amortisation	**1,949,170**	3,174,011	**157,881**	137,537	**3,121,321**	2,760,606	**401,902**	399,484	**5,630,274**	6,471,638
Other non-cash expenses	**(37,931)**	9,536	**281,549**	378,127	**3,753**	2,592	**-**	5,000	**247,371**	395,255

29. SEGMENT INFORMATION (CONT'D)

(a) Addition to non-current assets consists of :

	2018 RM	2017 RM
Property, plant & equipment	**5,686,677**	4,770,345
Investment properties	**2,316,899**	1,095,513
Land held for property development	**14,421,013**	1,464,656
	22,424,589	7,330,514

(b) Major customers

There are no major customers with revenue equal or more than 10 per cent of the Group's total revenue.

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

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 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 or common significant influence. Related parties may be individuals or other entities.

Key management personnel are 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 include all the Directors of the Group, and certain members of senior management of the Group.

The remuneration of key management personnel compensation during the financial year was as follows :

	Group	
	2018 RM	2017 RM
Salaries and other short-term employee benefits	**1,924,160**	2,369,960
Post-employment benefits - defined contribution plan	**124,674**	172,560
	2,048,834	2,542,520

The above is in respect of the total compensation to Directors of the Group.

31. CONTINGENT LIABILITIES - unsecured

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

32. CAPITAL COMMITMENT

	2018 RM	2017 RM
Contracted but not provided for	**2,337,822**	-

The above commitments mainly comprise of acquisition of property, plant & equipment.

33. OPERATING LEASE ARRANGEMENT

(a) The Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are analysed as follows :

	Group	
	2018	**2017**
	RM	**RM**
Not later than 1 year	**8,981,386**	9,045,105
Later than 1 year and not later than 5 years	**7,678,551**	7,693,747
	16,659,937	16,738,852

(b) The Group as lessee

The future minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are analysed as follows :

	Group	
	2018	**2017**
	RM	**RM**
Not later than 1 year	**279,600**	279,600
Later than 1 year and not later than 5 years	**210,000**	489,600
	489,600	769,200

The Group has entered into leases on its property portfolio. The commercial property leases typically have lease terms between one and three years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions.

34. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

(i) Property development revenue and cost of sales recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers :

The Group recognised property development revenue and cost of sales in profit or loss by using the stage or completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date compared to the estimated total property development costs.

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

(ii) Estimated impairment of goodwill

The Group determines annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on either fair value less costs to sell or value-in-use calculations. These calculations require the use of estimates as set in Note 17(i) and (ii).

34. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

(ii) Estimated impairment of goodwill (Cont'd)

Changing the assumptions selected by management, in particular the market price of properties, gross margin, discount rate and growth rate assumptions used in the cash flow projections or impairment test of goodwill, could significantly affect the Group's results. The Group's review includes the key assumptions related to sensitivity in the cash flow projections. Detail of sensitivity to change in key assumptions are disclosed in Note 17(iii).

(iii) Provision for expected credit losses of trade & other receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade & other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade & other receivables and contract assets is disclosed in Note 21.

The carrying amount of trade & other receivables and contract assets as at 31 December 2018 are RM38,967,773 and RM21,889,522 (31 December 2017: RM27,542,860 and RM28,417,974, 1 January 2017: RM28,338,356 and RM9,252,273) respectively.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's operations are subject to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, market risk, liquidity and cash flow risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board regularly reviews these risks and approves treasury policies, which covers the management of these risks. It is not the Group's policy to engage in speculative transactions.

(a) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the Group, primarily RM. The foreign currencies in which these transactions are denominated are mainly in US Dollar.

The currency exposure of trade payables at the reporting date is disclosed in the Notes 28 to the Financial Statements.

The Company does not enter into any financial instrument to hedge the movement in the foreign currency exchange rates unless the risk is deemed to be significant.

As the influence of foreign currency changes on the profit or loss is immaterial, no sensitivity analysis has been conducted.

(b) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its cash and cash equivalents and interest-bearing loans and borrowings.

The Group's and the Company's policy is to obtain the most favourable interest rates available.

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

At the reporting date, if interest rate had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM56,000 (2017: RM48,000) higher/lower, arising mainly as a result of higher/lower interest income from fixed deposits.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk

Credit risk is the risk of loss that arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trade only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the assets as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when :

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 210 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on segment. The loss allowance provision as at 31 December 2018 is determined as follows, the expected credit losses below also incorporate forward looking information.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by segments :

Property development & investment, construction and other related services rendered segment :

31 December 2018	Contract assets	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross carrying amount	4,527,840	9,523,783	48,410	13,680	5,589,540	19,703,253
Loss allowance provision	112,434	564	171	205	184,238	297,612

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk (Cont'd)

(i) Trade receivables and contract assets (Cont'd)

Trading segment :

31 December 2018	Contract assets	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross carrying amount	-	6,988,598	917,444	311,382	644,013	8,861,437
Loss allowance provision	-	16,075	2,245	9,406	592,964	620,690

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 21.

During the financial year, the Group wrote-off RM2,850 of trade receivables which are more than 90 days past due as the Group does not expect to receive future cash flows from and there are no recoveries from collection of cash flows previously written off.

(ii) Other financial assets

Cash and cash equivalents, trade receivables relating to hotel & plantation segment are subject to immaterial credit loss.

(d) Market risk

Market price risks mainly result from raw materials. No financial instruments are used for the hedging of the acquisition of raw materials.

(e) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2018				
Financial liabilities :				
Payables	19,451,811	-	-	19,451,811
Related parties	54,001,083	-	-	54,001,083
Borrowings	127,020	384,699	12,433	524,152
Total	**73,579,914**	**384,699**	**12,433**	**73,977,046**
2017				
Financial liabilities :				
Payables	71,800,575	-	-	71,800,575
Related parties	54,001,453	-	-	54,001,453
Borrowings	233,497	441,986	82,166	757,649
Total	**126,035,525**	**441,986**	**82,166**	**126,559,677**

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Liquidity and cash flow risk (Cont'd)

Company	On demand or within one year RM	One to five years RM	Total RM
2018			
Financial liabilities :			
Payables	24,195	-	24,195
Related parties	163,868,866	-	163,868,866
Total	**163,893,061**	**-**	**163,893,061**
2017			
Financial liabilities :			
Payables	32,506	-	32,506
Related parties	202,511,687	-	202,511,687
Total	**202,544,193**	**-**	**202,544,193**

36. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group and the Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group's and the Company's capital management is dependent on capital requirements of the business or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Company's structure.

The Group and the Company monitor and manage capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company included within net debt, total financial liabilities less cash and cash equivalents. Capital includes equity attributable to the owners. The Group and the Company target to maintain a low gearing ratio.

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade & other payables	**19,451,811**	71,800,575	**24,195**	32,506
Amount due to related parties	**54,001,083**	54,001,453	**163,868,866**	202,511,687
Loans & borrowings	**472,573**	678,567	**-**	-
Less : Cash & cash equivalents	**(78,238,206)**	(73,487,150)	**(44,615)**	(7,565)
Net debt	**(4,312,739)**	52,993,445	**163,848,446**	202,536,628

36. CAPITAL MANAGEMENT (CONT'D)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Equity attributable to owners	**714,527,749**	639,659,331	**246,851,018**	246,561,119
Capital and net debt	**710,215,010**	692,652,776	**410,699,464**	449,097,747
Gearing ratio	**(0.61%)**	7.65%	**39.89%**	45.10%

Under the requirement of Bursa Malaysia, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows :

	Note	Fair value through other comprehensive income	Available-for-sale		Total		
		31.12.2018 RM	31.12.2017 RM	01.01.2017 RM	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Group							
Financial Assets							
Non-current							
Investments	16	**67,755**	68,607	100,885	**67,755**	68,607	100,885

	Note	Amortised cost	Loan and receivables		Total		
		31.12.2018 RM	31.12.2017 RM	01.01.2017 RM	31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Financial Assets							
Non-current							
Fixed deposits	18	**6,056,799**	2,399,077	2,385,229	**6,056,799**	2,399,077	2,385,229
Current							
Trade & other receivables	21	**38,816,388**	27,415,258	28,088,116	**38,816,388**	27,415,258	28,088,116
Fixed deposits	18	**50,356,826**	45,767,951	43,289,455	**50,356,826**	45,767,951	43,289,455
Cash & bank balances	24	**21,824,581**	25,320,122	20,822,814	**21,824,581**	25,320,122	20,822,814
Total		**117,054,594**	100,902,408	94,585,614	**117,054,594**	100,902,408	94,585,614

37. FINANCIAL INSTRUMENTS (CONT'D)

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

	Note	Other financial liabilities at amortised cost 31.12.2018 RM	31.12.2017 RM	01.01.2017 RM
Group				
Financial Liabilities				
Non-current				
Borrowings	27	**365,473**	472,575	688,632
Current				
Borrowings	27	**107,100**	205,992	211,280
Amount due to related parties	23	**54,001,083**	54,001,453	54,001,453
Trade & other payables	28	**19,451,811**	71,800,575	68,648,238
Total		**73,925,467**	126,480,595	123,549,603

	Note	Fair value through other comprehensive income 31.12.2018 RM	Available-for-sale 31.12.2017 RM	Available-for-sale 01.01.2017 RM	Total 31.12.2018 RM	Total 31.12.2017 RM	Total 01.01.2017 RM
Company							
Financial Assets							
Non-current							
Investments	16	**64,980**	64,980	64,980	**64,980**	64,980	64,980

	Note	Amortised cost 31.12.2018 RM	Loan and receivables 31.12.2017 RM	Loan and receivables 01.01.2017 RM	Total 31.12.2018 RM	Total 31.12.2017 RM	Total 01.01.2017 RM
Financial Assets							
Current							
Trade & other receivables	21	**388,781**	193,053	8,817	**388,781**	193,053	8,817
Amount due from related parties	23	**27,217**	53,948	8,479,876	**27,217**	53,948	8,479,876
Cash & bank balances	24	**44,615**	7,565	88,132	**44,615**	7,565	88,132
Total		**460,613**	254,566	8,576,825	**460,613**	254,566	8,576,825

37. FINANCIAL INSTRUMENTS (CONT'D)

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

		Other financial liabilities at amortised cost		
	Note	**31.12.2018 RM**	**31.12.2017 RM**	**01.01.2017 RM**
Company				
Financial Liabilities				
Current				
Amount due to related parties	23	**163,868,866**	202,511,687	111,499,815
Trade & other payables	28	**24,195**	32,506	66,618
Total		**163,893,061**	202,544,193	111,566,433

(b) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows :

	2018		2017	
	Carrying amount RM	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Group				
Quoted shares	**67,755**	**68,781**	68,607	102,060
Company				
Quoted shares	**64,980**	**66,007**	64,980	98,433

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table :

Investments in equity securities

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period (Level 1).

(c) Fair value hierarchy

The fair value measurement hierarchies used to measure financial assets carried at fair value in the statements of financial position as at 31 December 2018 are as follows :

i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

iii) Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Public Shareholdings Spread

The Company currently does not meet the requirement as set out in paragraph 8.02(1) of the Listing Requirements which states that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

The public shareholding spread of the Company as at 31 December 2018 was 23.37%.

Bursa Malaysia Securities Berhad, via its letter dated 3 April 2019, has granted the Company an extension of time of six (6) months until 4 October 2019 to comply with the public shareholding spread requirement.

The Company is in the midst of evaluating various alternatives to address the shortfall in the public shareholding spread requirement and will make the relevant announcement on the Company's finalised plan to address the non-compliance in due course.

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 11 April 2019.

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Analysis of Shareholdings

AS AT 29 MARCH 2019

Issued Capital	:	365,063,800 Ordinary Shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
No. of Holders	:	2,230

ANALYSIS OF EQUITY STRUCTURE

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	27	1.21	540	0.00
100 - 1,000	141	6.32	88,820	0.03
1,001 - 10,000	1,598	71.66	7,220,200	1.98
10,001 - 100,000	385	17.27	12,200,212	3.34
100,001 - 18,253,189 (*)	76	3.41	110,334,536	30.22
18,253,190 and above (**)	3	0.13	235,219,492	64.43
Total	2,230	100.00	365,063,800	100.00

Remarks : * Less than 5% of issued Shares
** 5% and above of issued Shares

LIST OF DIRECTOR'S SHAREHOLDINGS

	Direct Holdings		Indirect Holdings	
Name	No	%	No	%
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	39,822,112	10.91	235,663,980	64.55
Puan Sri Datin Catherine Yeoh Eng Neo	14,018,200	3.84	261,467,892	71.62
Tan Sri Dato' Dr. Sak Cheng Lum	-	-	-	-
Datuk Ng Thian Kwee	-	-	-	-
Mat Ripen Bin Mat Elah	-	-	-	-
Tan Jiu See	-	-	-	-
Dato' Milton Norman Ng Kwee Leong	1,400,000	0.38	266,990,192	73.14
Steven Junior Ng Kwee Leng	1,000,000	0.27	266,990,192	73.14
Malcolm Jeremy Ng Kwee Seng	3,507,900	0.96	271,190,192	74.29
Ooi Hock Guan	-	-	-	-
Ooi Hun Yong	50,000	0.01	-	-

LIST OF SUBSTANTIAL SHAREHOLDINGS

		Direct Holdings		Indirect Holdings	
No	Name	No	%	No	%
1.	Dalta Industries Sdn. Bhd.	213,149,880	58.39	-	-
2.	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	39,822,112	10.91	235,663,980	64.55

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Dalta Industries Sdn. Bhd.	135,388,312	37.09
2.	Dalta Industries Sdn. Bhd.	71,428,968	19.57
3.	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	28,402,212	7.78
4.	Puan Sri Datin Catherine Yeoh Eng Neo	13,941,200	3.82
5.	Mujur Cemerlang Sdn. Bhd.	12,155,700	3.33
6.	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	11,419,900	3.13
7.	Golden Approval Sdn. Bhd.	10,850,300	2.97
8.	Quality Decor Sdn. Bhd.	10,053,900	2.75
9.	Quality Decor Sdn. Bhd.	5,776,500	1.58
10.	Dalta Industries Sdn. Bhd.	4,473,400	1.22
11.	Lim Hui Y'ng	4,200,000	1.15
12.	Malcolm Jeremy Ng Kwee Seng	3,507,900	0.96
13.	Wong Ah Tim & Ong Ah Tin	2,985,000	0.82
14.	Pandang Usaha Sdn. Bhd.	2,217,436	0.61
15.	Dato' Ambrose Leonard Ng Kwee Heng	2,188,000	0.60
16.	Dalta Industries Sdn. Bhd.	1,859,200	0.51
17.	Lim Theng Sian	1,580,600	0.43
18.	Telus Cemerlang Sdn. Bhd.	1,523,300	0.42
19.	Lee Thian Lye	1,510,000	0.41
20.	Dato' Milton Norman Ng Kwee Leong	1,344,000	0.37
21.	Steven Junior Ng Kwee Leng	1,000,000	0.27
22.	AMSEC Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Beh Hang Kong)	933,000	0.26
23.	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for EURP (Sarawak) Sdn. Bhd. [E-PDG])	869,000	0.24
24.	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Liau Thai Min)	846,100	0.23
25.	Koh Bee Lan	782,900	0.21
26.	TA Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lim Chye)	661,800	0.18
27.	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Tee Kim Hew [E-KLG/BTG])	600,600	0.17
28.	HLIB Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Beh Hang Kong)	586,300	0.16
29.	Tan Chin Ean	578,000	0.16
30.	AMSEC Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Parmjit Singh A/L Meva Singh)	550,000	0.15
	TOTAL	334,213,528	91.55

List of Properties

The details on the Amverton Group's landed properties are set out below :

Location	Description	Tenure Year of expiry	Approximate age of building	Land Area (Built-up Area) in acres	Net Book value (RM'000)	Year of acquisition/ revaluation
HS(D) 749, Lot 9146 Mukim Rasah District of Seremban Negeri Sembilan Darul Khusus	Agricultural	Freehold	-	6.048	185	1989
E.M.R. 6202, Lot 5022 Jalan Meru Mukim Kapar District of Klang Selangor Darul Ehsan	Industrial	Freehold	-	3	180	1988
HS(D) 13802-13804, PT 254-256 HS(D) 13814-13817, PT 266-269 (Lot 19, C.T. 11661) Mukim Klang District of Klang Selangor Darul Ehsan	Residential & Commercial	Freehold	-	0.348	373	1991
HS(M) 11649, PT 9867 HS(M) 11650, PT 9868 HS(M) 11651, PT 9869 Persiaran Raja Muda Musa District of Klang Selangor Darul Ehsan	Commercial (3 units of 3-storey shophouse)	Freehold	39 years	0.127	1,682	1990
PT 10888-10912 Batu 4 1/2 Jalan Kebun Kampung Jawa	Commercial (23 units of double storey industrial lot)	Freehold	32 years	0.95	7,486	1994
HS(D) 3710-3715 PT 1157-1161 Mukim Durian Tunggal District of Alor Gajah Melaka	Motels, Hotels & Condominium	Freehold	-	22	1,274	1991
PT1156 Mukim Durian Tunggal District of Alor Gajah Melaka	Hotel	Freehold	22 years	11.62	38,418	1991
HS(D) 18005, PT 17480 HS(D) 20199, PT 18462 Mukim Klang District of Klang Selangor Darul Ehsan	Commercial	Freehold	-	0.76	60	1985

List of Properties (Cont'd)

The details on the Amverton Group's landed properties are set out below (Cont'd) :

Location	Description	Tenure Year of expiry	Approximate age of building	Land Area (Built-up Area) in acres	Net Book value (RM'000)	Year of acquisition/ revaluation
Grant 19950, Lot 10340 Grant 19972, Lot 10362 Grant 19988, Lot 10378 Mukim Klang District of Klang Selangor Darul Ehsan	Residential & Commercial	Freehold	-	14.99	4,430	1994
Grant 20032, Lot 10422 Mukim Klang District of Klang Selangor Darul Ehsan	Residential	Freehold	-	14.956	2,019	1994
B03-08, 8th Floor, Block B Pusat Dagangan Phileo Damansara II Jalan Damansara Petaling Jaya Selangor Darul Ehsan	Commercial	Freehold	18 years	0.06	654	1996
E.M.R. 7252, 7525, 7540, 7568, 6450, 6457, 6905, 6909, Lot 4414, 4427-4429, 4565, 4567, 4568, 4570, 4582 & 4586 Meru, Mukim Kapar District of Klang Selangor Darul Ehsan	Agricultural	Freehold	-	30	230	1994
Grant 20109, Lot 10499 Taman Sentosa District of Klang Selangor Darul Ehsan	Residential	Freehold	-	8.4	56	1991
Grant 25821, Lot 89 Grant 35149, Lot 37727 District of Klang Selangor Darul Ehsan	Industrial	Freehold	-	4.686	324	1983
E.M.R. 2856, Lot 704 E.M.R. 2570, Lot 705 Mukim Morib District of Kuala Langat Selangor Darul Ehsan	Residential & Agricultural	Freehold	-	8.9	260	1984
Grant 20030, Lot 10420 Mukim Klang District of Klang Selangor Darul Ehsan	Residential	Freehold	-	9.7	190	1988

List of Properties (Cont'd)

The details on the Amverton Group's landed properties are set out below (Cont'd) :

Location	Description	Tenure Year of expiry	Approximate age of building	Land Area (Built-up Area) in acres	Net Book value (RM'000)	Year of acquisition/ revaluation
Grant 20031, Lot 10421 Mukim Klang District of Klang Selangor Darul Ehsan	Residential & Commercial	Freehold	-	6.506	4,950	1999
Grant 26565, Lot 9886 Jalan Kebun Mukim Klang District of Klang Selangor Darul Ehsan	Industrial	Freehold	-	6.094	255	1992
PT 3539, 3540, 3556, 3653 Geran No. PN 80459, 80460, 80357, 104327 Mukim Jugra District of Kuala Langat Selangor Darul Ehsan	Agricultural	Leasehold (Expire in 2105)	-	1,250.80	2,663	1990
PT 3533, 3535, 3537, 3651, 3652, 3654, 3655 Geran No. PN 80454, 80455, 80457, 104325, 104326, 104126 Mukim Jugra District of Kuala Langat Selangor Darul Ehsan	Residential & Commercial	Leasehold (Expire in 2105)	-	656.28	1,461	1990
Grant 39305, Lot 110 Grant 39306, Lot 112 Mukim Klang District of Klang Selangor Darul Ehsan	Commercial (8-storey and 12 storey office buildings)	Freehold	18 years	2.021	16,427	1983
Lot 10344-10346 Mukim & District of Klang Selangor Darul Ehsan	Residential & Agricultural	Freehold	-	23.081	6,924	1996
PT 35664 Taman Sentosa Mukim Klang Selangor Darul Ehsan	Commercial	Freehold	-	1.41	102	1989
Lot 407 Mukim Batang Berjuntai Kuala Selangor Selangor Darul Ehsan	Residential	Freehold	-	17.21	1,177	1991
PT 1029, HS(D) 34192 Mukim Klang Selangor Darul Ehsan	Hotel	Leasehold (Expire in 2092)	-	0.4585	265	1989

List of Properties (Cont'd)

The details on the Amverton Group's landed properties are set out below (Cont'd) :

Location	Description	Tenure Year of expiry	Approximate age of building	Land Area (Built-up Area) in acres	Net Book value (RM'000)	Year of acquisition/ revaluation
Lot No 57687 Daerah Klang Mukim Klang Selangor Darul Ehsan	Residential	Freehold	-	8.17	13,800	2005
PT 64300 & 64301 HS(D) 96096 & 96097 Daerah Klang Mukim Klang Selangor Darul Ehsan	Residential	Freehold	-	12.13	18,145	2005
Lot 10361 Daerah Klang Mukim Klang Selangor Darul Ehsan	Commercial	Freehold	-	9.73	2,141	1994
HS(D) 424, PT 467 HS(D) 434, PT 477 Mukim Taboh Naning Alor Gajah, Melaka	Agricultural	Freehold	-	20.0	2,400	1997
HS(D) 239, PT 282 HS(D) 240, PT 283 HS(D) 241, PT 284 HS(D) 242, PT 285 Mukim Tabong Naning Alor Gajah, Melaka	Agricultural	Freehold	-	42.0	4,148	1997
HS(D) 426, PT 469 HS(D) 427, PT 470 HS(D) 428, PT 471 HS(D) 429, PT 472 Mukim Tabong Naning Alor Gajah, Melaka	Agricultural	Freehold	-	40.0	4,800	1997
HS(D) 243, PT 286 HS(D) 244, PT 287 HS(D) 245, PT 288 HS(D) 246, PT 289 Mukim Tabong Naning Alor Gajah, Melaka	Agricultural	Freehold	-	40.0	4,800	1997
PT 87132,144389, HS(D) 22518,150997 Daerah Klang Mukim Klang Selangor Darul Ehsan	Industrial	Leasehold (Expires in 2093)	-	13.947	1,033	1995

List of Properties (Cont'd)

The details on the Amverton Group's landed properties are set out below (Cont'd) :

Location	Description	Tenure Year of expiry	Approximate age of building	Land Area (Built-up Area) in acres	Net Book value (RM'000)	Year of acquisition/ revaluation
PT 2996, HS(D) 1105 Mukim Batang Berjuntai Kuala Selangor Selangor Darul Ehsan	Light Industrial	Freehold	-	3.998	2,696	1997
HS(D) 24301, PT 3753 Daerah Kuala Langat Mukim Batu	Agricultural	Freehold	-	184.813	28,335	1996
Grant 1745, Lot 2369 Mukim Batu Kuala Lumpur	Residential	Freehold	-	3.032	16,800	2007
HS(D) 117471-117475 PT 119978-119982 HS(D) 117492-117494 PT 119975-119977 Mukim Klang District of Klang Selangor Darul Ehsan	Industrial	Leasehold (Expire in 2105)	-	16.417	5,102	2007
LOT 6032 Mukim Klang District of Klang Selangor Darul Ehsan	Residential & Commercial	Freehold	-	11.46	1,533	2009
PT 47417-47502 HS(D) 262212-262297 (Lot 14645 Geran 23670) Mukim Sungai Buloh District of Petaling Selangor Darul Ehsan	Residential	Freehold	-	76.76	22,239	2014
LOT 403, Geran 23669 Mukim Sungai Buloh District of Petaling Selangor Darul Ehsan	Residential	Freehold	-	44.70	15,625	2014

Proxy Form

Number of Share Held [ ]

CDS Account No. [ ]

AMVERTON BERHAD
(177214-H)

I/We (Name of shareholder as per NRIC/ID, in Capital Letters) ____________________

NRIC No./ID No./Company No. ____________________ of (Full Address in Capital Letters) ____________________

____________________ Tel. No. ____________________ being a member

of **AMVERTON BERHAD** ("AMVERTON" or "the Company"), hereby appoint (Name of proxy as per NRIC/ID, in Capital Letters) ____________________

____________________ NRIC No./ID No. ____________________ of (Address) ____________________

____________________ or failing whom (Name of proxy as

per NRIC/ID, in Capital Letters) ____________________ NRIC No./ID No. ____________________

of (Address) ____________________

or failing whom, the Chairman of the meeting as my/our proxy to vote for me/our behalf at the Twenty-Ninth (29th) Annual General Meeting ("AGM") of the Company to be held at Bukit Kemuning Golf & Country Resort, Lot 6031, Batu 7, Bukit Kemuning, 42450 Shah Alam, Selangor Darul Ehsan on Thursday, 20 June 2019 at 11.00 a.m. or at any adjournment thereof.

ORDINARY RESOLUTION	RESOLUTION	FOR	AGAINST
To re-elect Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock who retires in accordance with Article 100 of the Company's Constitution.	1		
To re-elect Puan Sri Datin Catherine Yeoh Eng Neo who retires in accordance with Article 100 of the Company's Constitution.	2		
To re-elect Steven Junior Ng Kwee Leng who retires in accordance with Article 100 of the Company's Constitution.	3		
To re-elect Malcolm Jeremy Ng Kwee Seng who retires in accordance with Article 100 of the Company's Constitution.	4		
To approve the payment of Directors' fee and benefits of an amount up to RM180,000 from the date of this Annual General Meeting until the following Annual General Meeting of the Company.	5		
To re-appoint Messrs. HLB Ler Lum as Auditors of the Company and to authorise the Directors to determine their remuneration.	6		
To authorise the Directors to allot and issue shares pursuant to the Companies Act 2016.	7		
To approve the Proposed Renewal of Authority For The Company to Purchase Its Own Shares.	8		
To retain Ooi Hock Guan as an Independent Non-Executive Director of the Company.	9		
To retain Tan Sri Dato' Dr. Sak Cheng Lum as an Independent Non-Executive Director of the Company.	10		
To retain Mat Ripen Bin Mat Elah as an Independent Non-Executive Director of the Company.	11		
SPECIAL RESOLUTION	**RESOLUTION**	**FOR**	**AGAINST**
To approve the Proposed Adoption of the New Constitution of the Company.	1		

Please indicate with an "X" in the appropriate spaces provided how you wish your vote to be cast. If you do not do so, your proxy shall vote as he thinks fit or abstain from voting at his discretion.

____
Signature of member(s)/Seal of Shareholders

Dated this ________ day of ________ 2019

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of its attorney.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings 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.
5. The instrument appointing the proxy must be deposited at the Registered Office of the Company at No. 22C, Jalan Gelugor, 41050 Klang, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting or adjournment thereof.
6. Only members whose names appear in the Record of Depositors as at 13 June 2019 will be entitled to attend and vote at the meeting.
7. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 29th AGM will be put to vote on a poll.

STAMP

AMVERTON BERHAD (177214-H)
PD Professional Advisory Sdn. Bhd. (955190-T)
No. 22C, Jalan Gelugor,
41050 Klang,
Selangor Darul Ehsan.

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